

November 13, 2013

The Honorable Paul Ryan, Chairman
House Committee on the Budget
U.S. House of Representatives
207 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Ryan:

As you go to conference with the Senate on the budget for fiscal year 2014 and set forth the appropriate budgetary levels for fiscal years 2015 through 2023, the undersigned organizations respectfully recommend consideration of a variety of strategies to reduce spending, and increase revenue, through policies under the general heading of “privatization”.

Privatization includes, but is not limited to, vouchers, asset sales, contracting out, divestiture, franchising, concessions, ESOPs, and public-private partnerships and those in the Government Accountability Office (GAO) publication, *Terms Related to Privatization Activities and Processes* (GAO/GGD-97-121, July 1997).

Implementation of such privatization policies and processes have helped national governments around the world—as well as governors, state legislators, and local officials of both parties here at home—balance their budgets, hold the line on taxes, create private sector jobs, increase government efficiency, and lower the costs of service delivery.

Among the measures we would recommend in the budget conference are:

- Implementation of a “Yellow Pages’ Test”. If a government activity is available from a private company found in the Yellow Pages of the telephone book, that activity should either not be a responsibility of the Federal government, should be actually performed by a private firm under contract with the Federal government, or should at least be subject to a public-private cost and quality competition, pursuant to Office of Management and Budget (OMB) Circular A-76, to determine which sector is the best provider. This process is established by H.R. 1072/S. 523, the “Freedom from Government Competition Act (FFGCA) of 2013”, introduced by Representative John J. “Jimmy” Duncan, Jr. (R-TN) and Senator John Thune (R-SD), respectively.
- Re-establishment of a Joint Committee on Reduction of Non-Essential Federal Expenditures to identify and provide legislative action to modify or eliminate underperforming or nonessential Federal programs, as well as Federal programs and activities that duplicate or compete with activities available from the private sector. Such a Congressional committee, previously known as the Byrd Committee, existed from 1941 to 1974, but was folded into the Congressional Budget Office (CBO) and House and Senate Budget Committees by the Congressional Budget and Impoundment Control Act of 1974. Legislation to create such a panel is found in H. Res. 119/S. Res. 30 by Representative Jeff Duncan (R-SC) and Senator Mark Udall (D-CO), respectively.
- The sale of surplus, unneeded, and under-utilized Federally-owned land and buildings. The Obama Administration has proposed the sale of some 14,000 buildings and structures currently designated as excess. There is more than 5.1 million acres of federal land classified as “vacant” with no definable purpose and 3.3 million acres of lands which the Bureau of Land Management has identified through its land use planning process as surplus and suitable for disposal. The sale of such surplus property could not only generate revenue to the government, but also reduce operating and maintenance expenses. Legislation to inventory, evaluate, surplus, and dispose Federal land has been introduced as H.R. 916 by Representative Ron Kind (D-WI), H.R. 328 and H.R. 2657 by Representative Jason Chaffetz (R-UT), H.R. 695 by Representative Jeff Denham (R-CA), and S. 1382 and S. 1398 by Senator Tom Carper (D-DE).

- The report of President Reagan’s Privatization Commission (1988), the Private Sector Survey on Cost Control (PSSCC), commonly referred to as The Grace Commission (1984), the Clinton Administration’s reinventing government program, officially known as the National Performance Review report, *Creating a Government That Works Better and Costs Less* (1993, 1994), and numerous GAO and Inspector General reports all provided privatization recommendations never implemented and which are even more necessary and relevant today than when they were originally proffered. Numerous private sector and nongovernmental organizations have also made serious and workable privatization recommendations. These should all be on the table.

“It is not the role of government to provide services. It is the role of government to see to it that services are provided,” former New York governor Mario Cuomo once said. Privatization should be a bipartisan solution to our debt and deficit crisis. We respectfully recommend that the budget resolution include a broad and robust privatization agenda.

Sincerely,

Jim Martin, Chairman
60 Plus Association



Peter S. Unger, President & CEO
American Association for Laboratory Accreditation



Peter J. Pantuso, President and CEO
American Bus Association



David A. Raymond, President & CEO
American Council of Engineering Companies



Christine Harbin Hanson, Federal Affairs Manager
Americans for Prosperity



Grover Norquist, President
Americans for Tax Reform



Lynn C. Wilson, Executive Director
Association of Consulting Foresters



Tom Cole, President
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John M. Palatiello, President
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Brian Garst, Director of Government Affairs
Center for Freedom and Prosperity



Matt Patterson, Executive Director
Center For Worker Freedom



Jim Backlin, Vice President for Legislative Affairs
Christian Coalition of America



Tom Schatz, President
Council for Citizens Against Government Waste



Iain Murray, Vice President for Strategy
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Mattie Duppler, Executive Director
Cost of Government Center



Jim Corcoran, President & CEO
Fairfax County Chamber of Commerce



Raul Espinosa, Founder and CEO
Fairness in Procurement Alliance



Ben Fernandez, Professor, Florida Coastal School of Law
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James T. Bennett, Professor of Economics
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Heather Higgins, President and CEO
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Tom Giovanetti, President
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Gregory T. Angelo, Executive Director
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Matt Gruhn, President
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Dee Hodges, President
Maryland Taxpayers Association



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Richard Norment, Executive Director
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Pete Sepp, Executive Vice President
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David Denholm, President
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Dr. Adrian Moore, Vice President of Policy
Reason Foundation



Dave Wallace, II, Founder
Restore America's Mission



Karen Kerrigan, President & CEO
Small Business & Entrepreneurship Council



David Williams, President
Taxpayers Protection Alliance



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