

February 6, 2018

The Honorable Trey Gowdy, Chairman
The Honorable Elijah Cummings, Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman and Ranking Member:

We commend you for scheduling a February 6 markup of [H.R. 1339](#), the "Freedom From Government Competition Act (FFGCA) of 2017" sponsored by Rep. John J. "Jimmy" Duncan, Jr. (R-TN) and 15 cosponsors including several members of the Committee. In 2016, the concept of this bill was subject to a harmonious hearing before the Subcommittee on Government Operations.

The Federal government employs some 2 million Executive Branch, Non-Postal, Full-time, Permanent Employees. Some 1,120,000 of those employees – are in jobs that are “commercial” in nature according to agency inventories compiled under the Federal Activities Inventory Reform (FAIR) Act of 1998, Public Law 105-270 and posted by the Office of Management and Budget (OMB) in 2015. Only a handful of the 1,120,000 current commercial positions have been studied to determine whether government employees or private sector workers can perform these activities more effectively. According to OMB, GAO and the Center for Naval Analysis, savings of 30% are achieved when implementing competitive sourcing/A-76 public-private cost comparisons to commercial activities currently performed by the government. If competition is applied to all of these FAIR Act positions, the annual savings may reach up to \$27 billion.

Not only do Federal agencies duplicate private business, but many engage in unfair government competition with the private sector. Each time there has been a White House Conference on Small Business (1980, 1986, and 1995), one of the top issues identified by American entrepreneurs is unfair government-sponsored competition with the private sector.

FFGCA does not mandate privatization. It does, however, provide for a fair and equitable process to review every commercial activity in the government. It preserves those activities that are inherently governmental (those only the government should do), injects competition into those that are commercial in nature, and provides several options for the Executive Branch to implement that competition. H.R. 1339 implements a “Yellow Pages Test” to make certain government is not unfairly competing with small business and to assure that products and services are provided at the best value to the taxpayer.

The undersigned organizations respectfully request the Committee on Oversight and Government Reform swiftly report H.R. 1339 favorably out of committee.

Sincerely,