



NEWS

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Competitive Sourcing is Working

Bringing private-sector power to work for government is saving taxpayers billions, more savings lie ahead

WASHINGTON -- Today Americans for Tax Reform lauded the efforts of the Bush administration in its efforts to trim federal spending by implementing competitive sourcing. The management initiative requires federal employees to compete against the private sector when meeting the government's needs in commercial services.

"About 15 years ago, the Soviet Union found out the hard way that competition and the free market work. It's about time that we accept the lessons of history and bring the same competitive spirit to the federal bureaucracy," said Grover Norquist, taxpayer advocate and president of ATR. **"In most cases, the private sector can do commercial work better, faster and cheaper than federal employees. All we need to do is allow them to compete."**

Recently, the White House released data confirming that taxpayers are saving significant money with no loss of services whatsoever, just by allowing competition on activities—such as mowing lawns and cleaning buildings—not fundamentally governmental in nature.

In a May report, the Office of Management and Budget (OMB) estimates that due to efforts undertaken in the 2003 fiscal year, taxpayers have saved **\$1.1 billion**. This represents a net savings of about \$12,000 per full-time employee subject to the competitive sourcing provisions, an average savings of 15 percent. In many cases, the savings result merely from the competition, the same work still being done by the same employees.

"This report proves that a 15 percent cut in the federal budget is a reasonable goal," said Norquist. **"We just need to open up to competition the 425,000 federal jobs considered commercial in nature."**

The OMB report also states that, while the success thus far is promising, competitive sourcing has a long way to go. ATR is calling for an expansion of competitive sourcing in those agencies that have been reluctant so far, and for Congress to reduce statutory restrictions that have limited its scope.

"Imagine if you were spending your own money for someone to install a new sprinkler system in your yard. If you could save 15 percent you would never hesitate to do so. Well, Congress *is* spending your money. And it *can* save 15 percent, and it installs a hell of a lot of sprinkler systems, and roofs, and telecom networks, and office furniture, and does a thousand other things that the private sector could do better for less money. The savings could be stunning," Norquist said.

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at jcollegio@atr.org.