



Freedom from Government Competition Act - H.R. 2744

The Freedom from Government Competition Act (H.R. 2744) would require the federal government to procure goods & services from the private sector when commercially available, instead of competing with the private sector.

The Insights Association position: H.R. 2744 would keep the federal government focused on its core necessary responsibilities. This legislation will significantly reduce taxpayer resources wasted on duplicative (and often failing) enterprises, like the [Census Bureau's Census Household Panel](#) (f.k.a., the Ask U.S. Panel). It would also help to prevent unfair competition by the federal government with the insights industry, among many other industries.

Background: Per the Act, "In the process of governing, the Federal Government should not compete with its citizens." H.R. 2744 would set "the general policy of the Federal Government":

- (1) "to rely on commercial sources to supply the products and services the Government needs";
- (2) "to refrain from providing a product or service if the product or service can be procured more economically from a commercial source"; and
- (3) "to utilize Federal employees to perform inherently governmental functions."¹

Further, each federal agency would be required to "obtain all goods and services necessary for or beneficial to the accomplishment of its authorized functions by procurement from private sources."

This has traditionally been referred to as "***the Yellow Pages test***" – if you can find a service in the Yellow Pages (or modern Internet equivalent searches), the government should generally not be performing such a service itself.

Requirements: Absent an exception, goods/services would need to be provided/performed by a private sector entity,

1. "the divestiture of Federal involvement in the provision of a good or service";
2. "the award of a contract to an entity in the private sector, using competitive procedures, as defined in section 152 of title 41, United States Code, and section 2302 of title 10, United States Code"; or
3. "conducting a public-private competitive sourcing analysis in accordance with the procedures established by the Office of Management and Budget and determining that using the assets, facilities, and performance of the private sector is in the best interest of the United States and that production or performance, respectively, by the private sector provides the best value to the taxpayer."

Exceptions: The requirements would "not apply to an agency with respect to goods or services if":

1. "the goods or services are required by law to be produced or performed, respectively, by the agency"; or
2. "the head of the agency determines and certifies to Congress ... that— (A) Federal Government production, manufacture, or provision of a good or service is necessary for the national defense or homeland security; (B) a good or service is so critical to the mission of the agency or so inherently governmental in nature that it is in the public interest to require production or performance, respectively, by Government employees; or (C) there is no private source capable of providing the good or service."

In-sourcing would still be allowed: An agency head could still "utilize Federal employees to provide goods or services previously provided by" a private entity if it completes "a public-private competitive sourcing analysis" and determines "that the provision of such goods or services by Federal employees provides the best value to the taxpayer."

For more info or to cosponsor, contact Rep. Aaron Bean (R-FL-04) staffer Richie LaMura at (202) 225-0123.

¹ "Inherently governmental" is defined in section 5 of the Federal Activities Inventory Reform (FAIR) Act of 1998 ([Public Law 105–270; 112 Stat. 2384](#)).