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N E W S R E L E A S E

Key Senate Vote on Competitive Sourcing Will Result in a More Efficient Government

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ARLINGTON, Va. – The Performance Institute and Reason Foundation, two good government think tanks, applaud the Senate's approval today of a critical amendment that breathes new life into the competitive sourcing program being implemented under the President's Management Agenda.

Up until this key vote, several amendments had been inserted into a variety of Appropriations bills that would have effectively prohibited routine competitive sourcing initiatives at federal agencies. The amendments have been offered as part of a larger effort engineered by federal employee unions to create a monopoly on government services for their members and weaken performance accountability standards in government.

"Today's vote in support of performance reporting requirement in competitive sourcing is a huge victory for the American taxpayer and will result in improved cost efficiencies and enhanced quality of service in government," declared Carl DeMaio, President of the Performance Institute and a Senior Fellow at the Reason Foundation.

Senators George Voinovich (R-OH) and Craig Thomas (R-WY) sponsored the key amendment to institute an annual performance accountability reporting process for competitive sourcing initiatives at federal agencies. The performance accountability reporting approach for competitive sourcing was originally outlined by the Performance Institute and Reason Foundation in their October 2002 comprehensive report on "*Designing a Performance-Based Competitive Sourcing Process for the Federal Government,*" that called for the measurement and transparent reporting of cost and performance improvements from competitive sourcing initiatives.

As anti-competitive amendments were offered and added to Appropriations bills, earlier this summer the Performance Institute and Reason Foundation drafted and circulated model language for an alternative amendment that would create an annual reporting requirement for competitive sourcing initiatives rather than prohibiting competitive sourcing entirely.

"Ironically, labor unions had used the principles of performance, accountability and transparency as their arguments *against* competitive sourcing," DeMaio notes. "And while those are the right principles we should be focusing on, the unions had reached the wrong conclusion. Instead, with this the success of this amendment, Congress has used the principles of accountability, transparency and performance to improve the competitive sourcing process."

Acknowledging that today's amendment applies to only one Appropriations bill, DeMaio concluded "Congress must now act to use the Thomas-Voinovich approach in lieu of prohibitions on competitive sourcing in all other pending appropriations bills."

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