



National Treasury Employees Union Legislative Action

110th Congress 2nd Session

GOVERNMENT PRIVATIZATION

In 2003, the Office of Management and Budget (OMB) unveiled its privatization initiative, which seeks to open up at least half of all federal employee jobs to private contractors. In 2004, the Administration succeeded in getting authority from Congress to allow the IRS to use private collection companies to pursue taxpayers who have outstanding tax liabilities.

Last year, NTEU fought successfully for congressional approval of language, in the fiscal 2008 omnibus spending bill, that extends to federal workers the same rights to appeal agency contracting decisions that have long been available to contractors. Moreover, it prevents contractors from offering substandard—or no—health or retirement benefits to their employees as a means of gaining an unfair advantage in bidding against federal employees for work from government agencies; and it requires that private sector bids for federal work show a savings of \$10 million or 10 percent beyond the cost of keeping the work in the hands of trained, accountable federal employees. These changes will have an enormous effect on the ability of employees to compete for jobs they are qualified to perform.

NTEU strongly believes Congress must immediately repeal the IRS' authority to contract out tax collection. This work is inherently governmental and could be done more cost efficiently by federal employees. There is no reason to pay private collection agencies a 25% bounty to do this work. The IRS recently confirmed that in its' first year of operation, **the private tax collection program lost \$50 million.** NTEU strongly contends that privatizing federal tax collection is a waste of taxpayer dollars, invites overly aggressive collection techniques and jeopardizes the financial privacy of Americans.

NTEU urges:

- **Opposition to efforts to repeal these competitive sourcing provisions when they are offered as committee or floor amendments.**
- **Cosponsorship of HR 695 introduced by Rep. Chris Van Hollen (D-MD) and S. 335 introduced by Sen. Byron Dorgan (D-ND) to prevent IRS from using private collection agencies to collect federal taxes.**