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United States Senate
COMMITTEE ON SMALL BUSINESS
WASHINGTON, DC 20510-6350

September 29, 2000

President William J. Clinton
The White House
Washington, DC

Dear Mr. President:

The recently re-proposed contractor responsibility regulations (65 *Fed. Reg.* 40830, June 30, 2000) will have a severe and debilitating impact on small businesses if they are finalized. As Chairman of the Senate Committee on Small Business, I believe these regulations should be withdrawn. I submitted comments describing the problems that these regulations would cause and how they would trample on the due process rights of companies that have been cited for violations by agencies of the federal government.

Apparently, various agencies within your own administration agree with me and those who have argued for these regulations to be withdrawn. The General Services Administration, one of the very agencies responsible for proposing the regulations, has submitted comments "strongly oppos[ing] the revised proposed changes to the FAR." The Environmental Protection Agency has also submitted comments "not support[ing] the regulatory changes presented in the proposed rule." Both of these agencies believe that current regulations are adequate to protect the government's interest in contracting only with qualified contractors. For your convenience, I have enclosed copies of the comments filed by GSA and EPA.

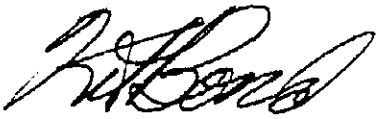
Mr. President, your own administration thinks these changes are ill advised. If these two agencies, *indeed one of the agencies who helped draft the proposal*, feel strongly enough to overcome the intense political pressure to publicly oppose these changes, I am left to wonder how many other agencies and federal employees who were not courageous enough to come forward may feel similarly. The sense of mutiny is apparently so strong that it is our understanding that your very own Chief of Staff was forced to put a gag order on the agencies, lest any other voices of dissent be heard from within (See, "Inside the Beltway," *Washington Times*, September 20, 2000).

Not only are these rule changes wrong, your administration is now evoking strong arm pressure tactics to make sure they go through and voices of dissent are muzzled. This is an embarrassment.

It is now unequivocally clear that these proposed rules must be withdrawn. The interests of the federal government are well protected by current regulations and these proposed changes are obviously nothing more than an effort to pander to the special interest group of organized

labor so they will offer more support to Vice President Gore in his campaign. Please end this shamelessly political ploy immediately and restore a modicum of credibility to the regulatory process.

Sincerely,



Christopher S. Bond
Chairman