



May 10, 2011

The Honorable Darrell Issa, Chairman  
House Committee on Oversight and Government Reform  
Washington, DC 20515

The Honorable Sam Graves, Chairman  
House Committee on Small Business  
Washington, DC 20515

Dear Mr. Chairmen:

The Business Coalition for Fair Competition (BCFC) is a national coalition of businesses, associations, taxpayer organizations and think tanks that are committed to reducing all forms of unfair government created, sponsored and provided competition with the private sector. BCFC believes the free enterprise system is the most productive and efficient provider of goods and services and strongly supports the Federal government utilizing the private sector for commercially available products and services to the maximum extent possible.

BCFC appreciates the opportunity to comment on President Obama's April 13, 2011 draft Executive Order, "Disclosure of Political Spending by Government Contractors."

BCFC objects to this draft document based on the way government contractors and government employee unions are treated differently. The numerous restrictions and new reporting as laid out in the draft policy only applies to private sector government contractors. The draft Executive Order fails to create any or equal requirements on political contributions by government employee unions.

This regulatory inequity will exacerbate an unlevel playing field for performance of commercial activities. The Federal government should rely on the private sector for commercially available products and services. There are over 850,000 Federal government employees engaged in commercial activities. Not only are these activities performed by government employees, but many of these activities duplicate and compete with private sector firms, including small business. In fact, unfair government competition has been a top issue of every White House Conference on Small Business (1980, 1986, and 1995). Therefore, additional regulatory restrictions on government contractors without equal restrictions on government employee unions compound unfair government competition with the private sector.

Moreover, the draft Executive Order requires all firms competing for a government contract to include in its bids or proposals a listing of contributions to political organizations. There is no reason a Federal government contracting officer needs this information. To do so will only result in undesirable and inappropriate political pressure on contracting officers to use such information in making contract award decisions. Rather than resulting in a fairer and unbiased procurement system, this will result in favoritism to bidders and offerers who contribute to the party in power. Such a "pay to play" system would overturn 90 years of reform efforts and return the Federal government to the days of Teapot Dome.

BCFC urges the Executive Branch to cancel this draft Executive Order or include similar restrictions on government employee unions, or for Congress to legislatively make such changes.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Palatiello". The signature is fluid and cursive, written over a white background.

John M. Palatiello, President  
Business Coalition for Fair Competition (BCFC)

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