January X, 2017

Dear X:

The undersigned associations, representing tens of thousands of federal contractors, strongly support H.J. Res. X, a resolution of disapproval under the Congressional Review Act to invalidate the Federal Acquisition Council regulations implementing the Fair Pay and Safe Workplaces Executive Order (EO) 13673 issued by President Obama on July 31, 2014\(^1\).

We urge members of the U.S. House of Representatives to vote “yes” on H.J. Res. X because the Obama administration’s costly and flawed “blacklisting” regulation circumvents congressional authority, harms the economy and efficiency of the federal acquisition system and disrupts fair and open competition in federal contracting. It also creates a duplicative and costly bureaucratic structure within DOL that undermines longstanding suspension and debarment procedures that already are part of the federal contracting process.

Federal contractors support the federal government’s efforts to ensure that the government contracts with responsible companies and that federal contractors compete on a level playing field. However, unsound regulatory policies like this will only tie up law-abiding employers in red tape and make a system intended to protect workers less efficient.

For decades, there have been laws and procedures in place designed to hold accountable contractors who violate rules. Taxpayers, contractors and their employees deserve a fair and transparent process in which contracts are awarded based on merit to firms that can deliver the highest quality product at the best price. Instead, EO 13673’s blacklisting regulations will needlessly increase costs, add uncertainty and subjectivity to the federal acquisition process and increase the frequency and cost of labor and employment disputes and related bid protests.

Blacklisting regulations impose a *de facto* debarment system that will restrict a federal contractor’s ability to counter alleged violations of the 14 federal laws and equivalent state laws identified in the final rule. Depriving contractors of due process rights against frivolous allegations will lead to litigation, reduced competition, increased costs and needless delays to the detriment of all taxpayers, the federal acquisition workforce, federal contractors and their employees.

By the Obama administration’s own recognition, the “vast majority of federal contractors play by the rules,”\(^2\) yet the FAR Council’s own Regulatory Impact Analysis of blacklisting regulations conservatively estimates the first year of this rule will cost federal contractors and the government $474 million\(^3\) in added quantifiable regulatory costs.

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This costly, unnecessary and unworkable blacklisting regulatory scheme undermines congressional efforts to attract innovative large and small businesses by streamlining the acquisition process and removing needless regulations and barriers to entry into the federal marketplace.

We urge members of the United States House of Representatives to vote YES on H.J. Res. X in opposition to the Obama administration’s costly and flawed blacklisting regulatory scheme. We thank you for addressing this important issue.

Sincerely,