



Grover G. Norquist

President

June 12, 2003

Mr. Stephen A. Perry
Administrator
U.S. General Services Administration
Washington, D.C.

Dear Administrator Perry:

Recently there have been calls for the General Services Administration to Debar MCI (formerly WorldCom) from the federal government contracting process in an effort to punish the company for past accounting abuses. We urge you, in the strongest possible way, to reject such a course of action. We believe that the debarment of MCI would serve only to harm taxpayers and consumers, threaten jobs, and complicate vital national security activities.

We are strong advocates of outsourcing through competitive bidding those government services that are commercial in nature. Such outsourcing generally produces the highest quality service at the lowest possible price, and promotes management flexibility at the same time.

No qualified company should be denied access to the competitive bidding process for political or public relations reasons – the taxpayers and consumers of government services, not to mention the employees and shareholders of the company in question, would be the ones to suffer.

No one would contest the fact that gross misconduct took place at WorldCom. But those corporate officers involved in misconduct have been fired, and are now being investigated for possible criminal prosecution. The entire board of directors has been replaced. An office of corporate ethics has been created to assure future ethical behavior. And the company has cooperated with the bankruptcy court and all investigations. The government and the people have no more reason to fear wrongdoing at MCI than at any other public company in America.

The record shows that MCI has provided the government services that are of the highest quality at the best price. To bar them from the competitive bidding process would be to saddle taxpayers and consumers with an inferior product at a higher price.

Further, MCI is successfully running services for such vital national security agencies as the Department of Defense and the FBI, and is a major player in such services as civilian and military air traffic control. To bar the company from federal contracting could disrupt and diminish these important government activities.

Perhaps most important, however, is the danger to the long-term health of the competitive bidding process and government budgets which rely on outsourcing. Some of the groups who have led the calls for debarment in the name of the “public good,” have their own political axe to grind.

One such group is the Communications Workers of America (CWA), which has been a strident advocate of the debarment of MCI. CWA not only represents workers at some of MCI's largest rivals, its attempts to organize that company's workforce several years ago were also rejected by MCI employees. Debarment of MCI would be political payback for the CWA defeat, and would enable MCI's competitors to take over MCI's contracts.

Politicization of the competitive bidding and outsourcing process would discredit the practice. It would undermine its ability to save taxpayer money and to improve government services now and in the future. Good government, honest government, demands that qualified companies have equal access to competitive bidding, and not be shut out for political reasons.

Those individuals who committed crimes at WorldCom should be prosecuted and punished. But justice will not be served by the destruction of jobs and shareholder value at MCI, by the denial of efficient services to the government, or by the politicization of the competitive bidding process. We urge you to protect taxpayers, to protect workers and shareholders, and to protect good government. Do not debar MCI.

Sincerely,

Grover Norquist,
Americans for Tax Reform

Daniel Clifton
American Shareholders Association

Andrew Quinlan
Center for Prosperity and Freedom

Alex St. James
African-American Republican Leadership
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