

APR 5 1977

Honorable Bert Lance
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lance:

This is in response to the OMB request of April 5, 1977 for our comments on the proposed testimony of HEW Secretary Califano on the Administration's bill entitled the "Recombinant DNA Regulation Act of 1977".

We have pointed out, in the course of the brief review of the proposed legislation, that it is our view that proprietary information cannot be adequately protected under present law if it is in the possession of the Government. In our view, under the regime established under the proposed bill and as described in Secretary Califano's testimony, information of a proprietary nature would be in the possession of the Government and thus subject to disclosure.

We assume our earlier views have been considered and rejected. We hope that the implications of the presently proposed arrangements have been fully considered. The rational alternative for a private entity facing the situation created by this legislation would be to move its activities offshore. Does the Administration really want to force such a development?

Thank you for the opportunity to comment.

Sincerely,

HOMER E. MOYER, JR.

Acting General Counsel
Department of Commerce