February 18, 2020

Administrator Mark Green and Deputy Director Brian Klotz  
Center for Faith and Opportunity Initiatives  
U.S. Agency for International Development (“USAID”)  
1300 Pennsylvania Avenue NW, Room 6.07-017  
Washington, DC 20523-6601


Dear Administrator Mark Green and Deputy Director Brian Klotz:

The Center for Constitutional Rights is a national, not-for-profit legal advocacy organization dedicated to protecting and advancing rights guaranteed by the United States Constitution, federal statutes, and local and international law. Since our founding in 1966, The Center for Constitutional Rights has litigated landmark civil rights and human rights cases before the Supreme Court and other tribunals concerning government overreach and discriminatory state policies.

The Center for Constitutional Rights writes today in our capacity as civil rights leaders to express our grave concern about “Equal Participation of Faith-Based Organizations in USAID’s Programs and Activities: Implementation of Executive Order 13831,” RIN 0412-AA99 (hereinafter “Proposed Rule”) the Proposed Rule issued by the U.S. Agency for International Development (“USAID”) and published in the Federal Register on January 17, 2020, with a mere 30-days for public comment. The Proposed Rule authorizes taxpayer-funded entities to discriminate against the public in the name of religion—jeopardizing the ability of millions of Americans to earn a living, access services from government-funded programs, and seek redress when they experience discrimination.

As an organization dedicated to seeking justice for groups that have traditionally faced discrimination and bias—including immigrants, racial minorities, religious minorities, disabled individuals, and lesbian, gay, bisexual, transgender, and queer (“LGBTQ+”) persons—the Center for Constitutional Rights has a strong interest in ensuring that American workplaces and government-funded programs are accessible to all. Given the unprecedented negative effects the Proposed Rule will have on the public and USAID’s failure to observe regulatory and procedural requirements, we respectfully ask that USAID give due consideration to the comments and objections summarized below and withdraw the Proposed Rule.
COMMENTS AND OBJECTIONS TO RIN 0412-AA99 BY THE CENTER FOR
CONSTITUTIONAL RIGHTS

I. The Proposed Rule Violates the Administrative Procedure Act Because the Notice
and Comment Period Provided by USAID Is Inadequate

The Center for Constitutional Rights objects to the Proposed Rule as a preliminary matter
because the U.S. Agency for International Development has denied the public a meaningful
opportunity to comment pursuant to the Administrative Procedure Act. Even though USAID
concedes that the Proposed Rule is a significant regulatory action that changes the legal regime
applicable to taxpayer-funded entities, USAID unjustifiably limited the notice and comment period
to a mere 30 days, and shortchanged the ability of the American public to participate in the
rulemaking process.

Given the importance of the Proposed Rule, USAID’s notice and comment period should
have run for a minimum of 60 days as agency precedents dictate. For instance, Executive Order
13563 establishes that comment periods for proposed agency rules “should generally be at least
60 days.” Executive Order 13563, Improving Regulation and Regulatory Review §2(b) (Jan. 18,
2011) (emphasis added). Likewise, Executive Order 12866 directs federal agencies to “afford the
public a meaningful opportunity to comment on any proposed regulation, which in most cases
should include a comment period of not less than 60 days.” See Executive Order 12866, Regulatory
Planning and Review (Sept. 30, 1993)(emphasis added).

Here, USAID has failed to provide any justification for its unusually short comment period.
Accordingly, the Proposed Rule is void under the Administrative Procedure Act, 5 U.S.C. § 553(c),
because USAID has failed to provide the public a meaningful opportunity to participate in its
rulemaking.

II. The Proposed Rule Authorizes Invidious Discrimination in the Name of Religion
and Harms Program Beneficiaries

The Center for Constitutional Rights objects to the rule because it grants taxpayer-funded
entities virtually unchecked power to discriminate under the guise of religion. For instance, the
Proposed Rule allows recipients of USAID funding to condition employment on an individual’s
“acceptance of, and/or adherence to, the religious tenets of the organization.”Proposed Rule RIN
0412-AA99, 85 Fed. Reg. at 2921 (to be codified at 22 CFR pt. 205.1(g)). The Proposed Rule also
confers USAID-grantees an accommodation that arguably allows them to restrict benefits and
programming to individuals who meet their religious requirements. These provisions dramatically
expand the religious exemptions available under law, and gives USAID-funded entities the ability
to privilege individuals with shared religious beliefs in virtually all facets of their operations.

The Proposed Rule also expands the types of entities that qualify for a religious exemption
such that it covers for-profit businesses and entities that are not primarily organized for a religious
purpose. Accordingly, the Proposed Rule gives USAID-funded entities an unprecedented license
to discriminate and impose their religious beliefs on others using taxpayer dollars. Since no one
should be forced to abandon their religious beliefs or identities as a condition to access
government-funded services, the Center for Constitutional Rights strenuously objects to the
III. The Proposed Rule Violates the U.S. Constitution and Federal Law

A. The Proposed Rule is Infirm Under the Establishment Clause of the U.S. Constitution Because of Its Staggering Breadth

The Center for Constitutional Rights also objects to the Proposed Rule because it is infirm under the U.S. Constitution. For well over a century, the Supreme Court has held that the First Amendment’s Free Exercise Clause does not provide individuals an unconditional right to act in accordance with their religious morals and beliefs.

In *Employment Division v. Smith*, 494 U.S. 872 (1990), Justice Antonin Scalia, writing for the Court, summed up this longstanding principle, stating that the Supreme Court had “never held that an individual’s religious beliefs excuse him from compliance with an otherwise valid law prohibiting conduct that the State is free to regulate.” *Id.* at 878-79. The Supreme Court also explained that where “prohibiting the exercise of religion is not the object of the [law] but merely the incidental effect of a generally applicable and otherwise valid provision, the First Amendment has not been offended.” *Id.* at 885.


The Proposed Rule departs from this legal standard and unconstitutionally erodes the bedrock principle of separation of church and state by allowing taxpayer-funded entities to condition employment and program participation on a religious litmus test. Contrary to settled law, the Proposed Rule does not “take adequate account of the burdens” this sweeping exemption places on nonbeneficiaries, or ensure that it “does not override other significant interests.” *Cutter v. Wilkinson*, 544 U.S. 709, 720, 722 (2005); *accord Bullock*, 489 U.S. at 18 n.8. Instead, the Proposed Rule communicates that the government values religious perspectives over the rights of Americans with divergent beliefs.

The expansion of the religious freedom doctrine contemplated by the Proposed Rule is not dictated or supported by recent Supreme Court decisions. In *Trinity Lutheran Church of Columbia, Inc. v. Comer*, 37 S. Ct. 2012 (2017), the Supreme Court did not bar faith-based organizations operating under government grants from implementing safeguards like a referral system to protect the religious freedom of others. Instead, *Trinity Lutheran* narrowly addressed the issue of whether religious entities could be disqualified from receiving grants wholesale because of their religious character.

1719 (2018), the Supreme Court refused to adopt a blanket rule exempting employers with religious beliefs or affiliations from complying with generally-applicable non-discrimination law. To the contrary, the Court noted:

[W]hile those religious and philosophical objections are protected, it is a general rule that such objections do not allow business owners and other actors in the economy and in society to deny protected persons equal access to goods and services under a neutral and generally applicable public accommodations law.

*Id.* at 1727.

The Proposed Rule also sweeps far more broadly than the ministerial exemption the Supreme Court permitted in *Hosanna-Tabor Evangelical Lutheran Church & School v. EEOC*, 565 U.S. 171 (2012), because it insulates taxpayer-funded entities from the employment discrimination claims of ministers and non-ministers alike. The Proposed Rule also allows entities that have never been organized for a religious purpose to receive exemptions so long as they tell USAID “yes I qualify.” This is contrary to existing law. See, e.g., *Spencer v. World Vision, Inc.*, 633 F.3d 723, 724 (9th Cir. 2011) (per curiam) (asking whether entities claiming an exemption are organized and “engaged primarily in carrying out” a religious purpose); *LeBoon v. Lancaster Jewish Cmty. Ctr. Ass’n*, 503 F.3d 217, 226 (3d Cir. 2007) (ascertaining whether an entity’s “purpose and character are primarily religious” before granting an exemption) (citation omitted).

As such, the Proposed Rule is void and unsupported by existing law. And although it claims to implement Executive Order 13831, the Proposed Rule actually conflicts with the Order’s requirement that religious freedom initiatives be “implemented consistent with applicable law.” Executive Order 13831, F.R. Doc. 2018-09895, at 20717.

### B. The Proposed Rule Burdens the Constitutional Right of Privacy

The Center for Constitutional Rights also objects to the Proposed Rule because it will burden the constitutional rights to privacy that extend to sexual and reproductive choices as enshrined in *Lawrence v. Texas*, 539 U.S. 558 (2003), *Griswold v. Connecticut*, 381 U.S. 479 (1965), and *Roe v. Wade*, 410 U.S. 113 (1973).

Under the Proposed Rule, anyone who has been sexually active outside the context of a heterosexual marriage can be denied services or employment by USAID-grantees that object to their choices. The Proposed Rule gives members of the public a Hobson’s choice: forgo taxpayer-funded jobs and programs or surrender your constitutionally-protected rights to privacy and bodily autonomy.

The consequences of the discrimination authorized by the rule will be borne most heavily by job seekers in small or disadvantaged job markets, including people of color living in poverty or in rural areas, including Native American people living on reservations. Linking people’s ability to find work or access government-funded services to their sexual and reproductive choices will simultaneously burden their constitutional rights and exacerbate the already sky-high health disparities that exist among Black and indigenous populations.
C. The Proposed Rule Chills Speech and Conduct Protected by the First Amendment

The Center for Constitutional Rights also objects to the Proposed Rule because it creates a special hierarchy for speech that privileges “religious speech” above speech on other issues. Under the Proposed Rule, individuals who speak out about social issues in a manner deemed inconsistent with a grantee’s religious faith will be vulnerable to reprisal—including termination or denial of services—while religious individuals who speak out about LGBTQ+ people or people who seek abortions arguably enjoy special protections. This turns the protection afforded by the First Amendment on its head.

IV. The Proposed Rule Dilutes the Protections Against Discrimination that All Americans Enjoy

The Center for Constitutional Rights further objects to the Proposed Rule because it diminishes the ability of all Americans to live, work, and access services free of discrimination. Although religion has long been used to justify invidious discrimination based on race, sex, or other protected grounds, until now courts have refused to give these arguments state sanction. See, e.g., Bob Jones University v. United States, 461 U.S. 574, 604 (1983); Kennedy v. St. Joseph’s Ministries, Inc., 657 F.3d 189, 192 (4th Cir. 2011); Rayburn v. Gen. Conference of Seventh-Day Adventists, 772 F.2d 1164, 1166 (4th Cir. 1985), cert. denied, 478 U.S. 1020 (1986); EEOC v. Pac. Press Pub. Ass’n, 676 F.2d 1272, 1277 (9th Cir. 1982); Hamilton v. Southland Christian Sch., 680 F.3d 1316 (11th Cir. 2012); EEOC v. Fremont Christian Sch., 781 F.2d 1362, 163 (9th Cir. 1986); Herx v. Diocese of Ft. Wayne-South Bend, Inc., 48 F. Supp. 3d 1168, 1175-76 (N.D. Ind. 2014).

The Proposed Rule threatens this legal regime by creating carveouts and loopholes to these bedrock principles and sowing doubt about when courts can enforce laws prohibiting discrimination, harassment, and violence in the workplace on the basis of race, sex, religion, national origin, disability, sexual orientation, and gender identity. As a result, the Proposed Rule will make it harder for victims of discrimination to seek redress, and will particularly disadvantage women, LGBTQ+ people, and religious minorities as detailed below.

A. The Proposed Rule Will Threaten the Rights of Women in the Workplace

One impact of the Proposed Rule is that it will undermine the ability of women to get and keep employment and access government-funded programs.1

Women workers have long been subjected to a range of discrimination based on sex, justified by claims of religious beliefs. For instance, female employees have been fired for their decisions about whether and how to start a family, including becoming pregnant outside of marriage, using in vitro fertilization to start a family, or seeking an abortion. See, e.g., Herx v. Diocese of Ft. Wayne-South Bend Inc., 48 F. Supp. 3d 1168 (N.D. Ind. 2014); Ganzy v. Allen Christian Sch., 995 F. Supp. 340, 345 (E.D.N.Y 1998) (an unmarried teacher at a religious school was fired because, as explained by the school, her pregnancy was “clear evidence that she had

1 Here, the Center for Constitutional Rights addresses women who are not LGBTQ-identified. The impact of the Rule on women who identify as LGBTQ+ are addressed below in Section IV.B.
engaged in coitus while unmarried”). 2

Certain employers have also tried to deny employment to women altogether, based on their religious belief that women and mothers should not work outside the home. This includes religious schools failing to renew a pregnant employee’s contract because of a belief that mothers should stay at home with young children. Ohio Civil Rights Comm’n v. Dayton Christian Schs., Inc., 477 U.S. 619, 623 (1986). Women have also been discriminated against in the workplace in terms of pay and benefits and working conditions by employers who harbor religious beliefs about the appropriate role of women in society. For example, one religious school denied health insurance to women by providing it only to the “head of household,” defined to be married men and single persons, based on its belief that a woman cannot be the “head of household.” E.E.O.C. v. Fremont Christian School, 781 F.2d 1362 (9th Cir. 1986).

Employers that want to refuse employment and services to woman simply because they are pregnant, unmarried, or using birth control will be able to seek refuge in the Proposed Rule, notwithstanding their receipt of taxpayer dollars. USAID-funded entities will be able to adopt even more draconian workforce policies on account of the Proposed Rule. For instance, federal grantees could begin dictating that women should not be alone with men to whom they are not married, impede women’s access to leadership positions or promotions, or even segregate women into certain workplace roles, using the Proposed Rule as a justification. 3

B. The Proposed Rule Will Exacerbate the Discrimination that LGBTQ+ People Face

The Proposed Rule will also jeopardize the rights of more than 11.3 million LGBTQ+ people in the United States (an estimated 4.5 percent of the adult population), including the 1.4 million people who identify as gender non-conforming, non-binary, or transgender. 4 LGBTQ+ people already experience employment discrimination at rates as high as 37%, as well as

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staggering rates of on-the-job harassment and assault. In addition, LGBTQ people are frequently passed up for promotions; removed from client-facing positions; disciplined for their gender expression; called bigoted names and slurs; barred from gender-appropriate restrooms; and subjected to privacy violations where their personal medical information disclosed without consent. The widespread incidence of workplace discrimination and bias also increases LGBTQ+ people’s vulnerability to trafficking and restricts their ability to leave jobs that are unsafe.

Because of the barriers they face when trying to access employment, LGBTQ+ people also experience disproportionate rates of poverty and homelessness relative to the general population. Rates of homelessness were even higher among transgender women of color, as nearly 50% of

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6 See 2015 U.S. Transgender Survey at 153 (highlighting that nearly one-quarter of respondents reported experiencing one or more of those actions in the prior year because of their transgender status); Deena Fidas and Liz Cooper, The Cost of the Closet and the Rewards of Inclusion: Why the Workplace Environment for LGBT People Matters to Employers, HUMAN RIGHTS CAMPAIGN FOUND., May 2014, http://hrc-assets.s3-us-east-1.amazonaws.com/files/assets/resources/Cost_of_the_Closet_May2014.pdf (reporting 62% of LGBTQ+ workers reported hearing jokes about gay or lesbian people, and were four times more likely to be criticized for their gender expression or told that they should be more feminine or masculine in their style). See also Complaint, EEOC v. Pallet Cos., No. 1:16-cv-00595-RDB (D. Md. Mar. 1, 2016), ECF No. 1, ¶ 15 (describing harassment of lesbian forklift operator Yolanda Boone, who was repeatedly harassed by management and told “I want to turn you back into a woman,” “I want you to like men again,” and “[a]re you a girl or a man?”).

7 2015 U.S. Transgender Survey at 154 (reporting, for instance, that 26% of transgender respondents remained at a job they would have preferred to leave due to fear). See also Lynly S. Egyes, Borders and Intersections: The Unique Vulnerabilities of LGBT Immigrants to Trafficking, in Broadening the Scope of Human Trafficking, at 181–82 (Eric C. Heil & Andrea J. Nichols eds., 2016).

8 2015 U.S. Transgender Survey at 174–78 (revealing that 30% of respondents experienced homelessness, and the rate was nearly twice as high among those who lost their job because of their gender identity or expression and transgender women of color); see also M.V. Lee et al., Bias in the Workplace: Consistent Evidence of Sexual Orientation and Gender Identity Discrimination, THE UCLA SCH. OF LAW WILLIAMS INST. (June 2007), https://williamsinstitute.law.ucla.edu/wp-content/uploads/Badgett-Sears-Lau-Ho-Bias-in-the-Workplace-Jun-2007.pdf (hereinafter “Bias in the Workplace”).
Black, Indigenous, and Multiracial transgender women surveyed nationwide had experienced homelessness. Transgender people are also four times more likely to meet the threshold for extreme poverty—i.e. having a household income under $10,000 per year—while lesbian, gay, and bisexual women are more likely to be impoverished and receive public assistance. These harmful trends will only be exacerbated by USAID’s Proposed Rule, as it provides employers cover for their anti-LGBTQ+ bias.

The rampant discrimination that LGBTQ+ people face has also given rise to a “discrimination-to-incarceration pipeline” that pushes LGBTQ+ people into underground economies for survival, and ultimately into prisons and jails. According to one survey, one out of six transgender people (or 16%) have been incarcerated at some point in their lives—a rate that skyrockets to 47% among Black transgender people—most frequently for poverty-related offenses that stem from being denied economic opportunities. Similar trends exist among lesbian, gay, Black, Indigenous, and Multiracial transgender women surveyed nationwide had experienced homelessness. Transgender people are also four times more likely to meet the threshold for extreme poverty—i.e. having a household income under $10,000 per year—while lesbian, gay, and bisexual women are more likely to be impoverished and receive public assistance. These harmful trends will only be exacerbated by USAID’s Proposed Rule, as it provides employers cover for their anti-LGBTQ+ bias.

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The discrimination that LGBTQ+ people experience has public health implications as well. A number of studies have also shown that employment discrimination in the United States negatively impacts LGBTQ+ people’s wellbeing, leading to a higher prevalence of poor self-esteem, anxiety, anger, post-traumatic stress, other symptoms of depression, psychological distress, mental disorder, suicidality, and deliberate self-harm.

Accordingly, the Center for Constitutional Rights objects to the Proposed Rule because of the ways that it will harm LGBTQ+ people. Considering the profoundly negative impact employment discrimination is already having on LGBTQ+ people, the additional rollbacks contemplated by the Proposed Rule will be nothing short of devastating, while the impacts on LGBTQ+ people of color will be even more pronounced.

C. The Proposed Rule Will Have a Devastating Impact on Atheists and Religious Minorities

The Center for Constitutional Rights also objects to the Proposed Rule because it will negatively impact religious minorities and deprive them of vital government-funded services and economic opportunities. Since Christianity is the predominant religion in the United States, allowing USAID-grantees to condition employment and program access on acceptance of their religious beliefs will disadvantage members of minority religions like Islam, as well as atheists who profess no religion at all.

The harm that religious minorities will suffer under the Proposed Rule is hardly speculative, as there are already instances where non-Christians have been shunned from jobs solely because of their religion. For example, an Iraqi refugee who served as government interpreter in Iraq was denied a caseworker position at a refugee services organization because he was Muslim, not

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14 Pizer, supra, at 738–741 (listing studies and results).

15 See generally 2015 U.S. Transgender Survey (discussing disproportionate impact of discrimination on transgender people of color).
Christian. Similarly, a taxpayer-funded child welfare agency refused a position to a Jewish job applicant because the person conducting his job interview told him, “We don’t hire people of your faith.” In recent years, Muslim Americans have comprised over twenty percent of the discrimination charges submitted to the Equal Employment Opportunity Commission, despite being just one percent of the U.S. population.

No one should be disqualified from receiving government-funded services or employment because they are the “wrong” religion or not religious at all. Yet, this is precisely what the Proposed Rule allows. In effect, USAID-funded entities will be able to hang a sign that says “Jews, Sikhs, Catholics, Latter-day Saints are not welcome,” without clear recourse for victims of discrimination.

V. The Proposed Rule Violates the Administrative Procedure Act and Other Federal Statutes

A. The Proposed Rule Lacks a Valid Justification and Exceeds USAID’s Rulemaking Authority

The Center for Constitutional Rights further objects to the Proposed Rule under the Administrative Procedure Act because it is arbitrary and capricious and effectuates a dramatic change to the existing legal regime concerning taxpayer-funded entities without an adequate justification. The USAID cannot justify its proposed regulation based on federal statutes or recent decisional law.

As a preliminary matter, the Proposed Rule is not justified by the Religious Freedom Restoration Act (“RFRA”), 42 U.S.C. § 2000bb et seq, which permits laws that burden the exercise of religion when the impact is minimal or countervailing interests are significant. See, e.g., Goehring v. Brophy, 94 F.3d 1294, 1299 n.5 (9th Cir. 1996) (Even if a plaintiff’s beliefs “are sincerely held, it does not logically follow . . . that any governmental action at odds with these beliefs constitutes a substantial burden on their right to free exercise of religion.”); Locke v. Davey, 540 U.S. 712 (2004) (describing stipulation on funding as “a relatively minor burden”); see also RFRA 42 U.S. Code § 2000bb–1(b) (asking whether the burden is “the least restrictive means of furthering [a] compelling governmental interest”).


This criterion is easily met in this case because the Proposed Rule allows entities to deny employment and services to Americans on the basis of protected characteristics such as race, sex, gender identity, religion, sexual orientation, and national origin, in conflict with the government’s compelling interest in eradicating discrimination in all segments of life. See, e.g., Norwood v. Harrison, 413 U.S. 455, 465-66 (1973) (stating that “the Constitution prohibits the state from aiding discrimination”); Texas Monthly, Inc. v. Bullock, 480 U.S. 1, 18 n. 8 (1989) (affirming that religious accommodations may not impose “substantial burdens on nonbeneficiaries”).

Moreover, the Supreme Court’s decision in cases such as Trinity Lutheran and Hobby Lobby do not authorize taxpayer-funded entities to discriminate against the public in the name of religion. See Section III, supra. Therefore, the Proposed Rule is not justified under existing law.

Nor can the Proposed Rule be justified in terms of cost because USAID concedes that the Rule will not result in meaningful cost savings for tax-payers. See Proposed Rule RIN 0412-AA99. And while cost savings under the Proposed Rule are virtually non-existent, the cost to beneficiaries is astronomical as detailed in Section V.B below.

Because USAID’s justification for the Proposed Rule collapses under any level of scrutiny, the Rule is arbitrary and capricious under the Administrative Procedure Act and exceeds USAID’s rulemaking authority.

B. The Proposed Rule Imposes Costs on the American Public that USAID Failed to Properly Consider

The Center for Constitutional Rights also objects to the Proposed Rule because USAID failed to conduct a proper analysis of costs as mandated by federal law including the Administrative Procedure Act and various Executive Orders. See, e.g., Executive Order 12866, Regulatory Planning and Review (Sept. 30, 1993). Executive Order 13563, Improving Regulation and Regulatory Review (Jan. 18, 2011). These rules collectively require agencies to adequately assess all the potential costs of a rule and adopt them only where it has been shown they will produce the least burden while maximizing the benefits to society. See EO 12866 (requiring agencies to “assess all costs and benefits” and “select those approaches that maximize net benefits”) (emphasis added).

The Supreme Court has repeatedly held that agencies “must examine the relevant data” in adopting a regulation, and emphasized that failing to “consider an important aspect of the problem” can render agency action arbitrary and capricious. Motor Vehicles Mfrs. Ass’n v. State Farm Ins., 463 U.S. 29, 43 (1983). The Proposed Rule as drafted will impose tremendous costs on the

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See also Section IV, supra (cataloging the negative social consequences of the Proposed Rule).
American public because it substitutes settled anti-discrimination law for an approach that sews uncertainty about the right of Americans to live and work when their faith does not conform to that of a USAID-grantor.

In addition to imposing repugnant social costs, the Proposed Rule imposes financial costs as well since it denies employment opportunities to millions of well-qualified job seekers. Discrimination has numerous costs for workers and society, including lost wages and benefits, lost productivity, and negative impacts on mental and physical health.\(^{20}\) For LGBTQ+ people, these costs will be even more severe given the extent to which they experience employment discrimination, unemployment and underemployment, and extreme poverty, as discussed above. Yet, USAID fails to meaningfully consider the financial and other harms to employees impacted by its broad exemption, in flagrant violation of its responsibilities under federal law.

C. **The Proposed Rule Violates the Treasury and General Government Appropriations Act of 1999**

The Proposed Rule also violates the Treasury and General Government Appropriations Act of 1999, 5 U.S.C. § 601 because it fails to perform a Family Policy Making Assessment which requires agencies to “assess the impact of proposed agency actions on family well-being.” 105th Cong. Rec. S9256 (daily ed. July, 29, 1998) (Abraham (Others) Amendment No. 3362). This includes determining whether a proposed regulatory action “strengthens or erodes the stability or safety of the family” or “increases or decreases disposable income or poverty of families and children.” *Id.* Since USAID failed to conduct any such analysis or provide any such certification with respect to the Proposed Rule, the Rule is improper.

D. **The Proposed Rule Violates the Unfunded Mandates Reform Act of 1995**

The Proposed Rule also violates the Unfunded Mandates Reform Act of 1995 (“UMRA”) because USAID once again failed to conduct the analysis mandated by law without a proper exemption. The Proposed Rule does not establish or enforce “statutory rights that prohibit discrimination on the basis of race, color, religion, sex, national origin, age, handicap, or disability,” as exemptions require. Instead, the Proposed Rule creates a new regime of religious exemptions that surpass the protections found in existing statutes, including RFRA. Accordingly, USAID’s failure to conduct a proper analysis cannot be excused.

E. **The Proposed Rule Is Improper Because USAID Failed to Conduct an Accurate Federalism Analysis**

Finally, the Proposed Rule violates the Administrative Procedure Act because it relies on a flawed and erroneous federalism analysis. The USAID states that the Proposed Rule does not have federalism implications because it will not impose substantial direct requirements or costs on

State or local governments preempt State law. This is inaccurate. Rather, by creating loopholes and upending the regulatory regime applicable to government-funded entities that espouse religious viewpoints, the Proposed Rule complicates the ability of state and local jurisdictions to safeguard their workforce and enforce generally-applicable anti-discrimination laws.

The Proposed Rule also imposes a financial burden on state governments who will have to shoulder higher rates of unemployment and a larger draw on state welfare systems as people are increasingly turned away from jobs. State and local governments will also experience a greater demand for city and state-funded services as they face growing barriers when trying to access USAID-funded programs.

Because USAID failed to conduct a reasoned analysis of the Proposed Rule and its impacts, the Rule should be withdrawn.

CONCLUSION

The U.S. Agency for International Development’s Proposed Rule “Equal Participation of Faith-Based Organizations in USAID’s Programs and Activities: Implementation of Executive Order 13831,” RIN 0412-AA99 is an unlawful and inappropriate exercise of agency rulemaking for the reasons detailed above. The Proposed Rule throws the lives of countless Americans into jeopardy by providing taxpayer-funded entities a license to discriminate against them with respect to employment as well as the provision of services. The impacts of the Proposed Rule will be especially pronounced for the millions of Americans who already experience marginalization because of their sexual orientation, familial status, and/or racial, ethnic, and gender identities.

The broad license to discriminate the Proposed Rule affords taxpayer funded entities cannot be squared with the Establishment and Equal Protection Clauses of the U.S. Constitution or federal law. The Proposed Rule also violates the Administrative Procedure Act, the Treasury and General Government Appropriations Act, and the Unfunded Mandates Reform Act in a myriad of respects.

Given these infirmities, the Center for Constitutional Rights respectfully asks the U.S. Agency for International Development to withdraw the Proposed Rule in its entirety. If USAID ultimately decides to propose a new rule that gives due consideration to the regulatory impacts, USAID should ensure that the public receives a new 60-day notice and comment period to provide adequate time for feedback.

Respectfully submitted,

Chinyere Ezie
Staff Attorney
Center for Constitutional Rights