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UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

June 24, 1976

RODERICK M. HILLS CHAIRMAN

Dear Mr. President:

You will be pleased to know that two weeks before we received your letter of May 27 asking us to examine our classification systems, we began a major organizational operation to do precisely what you asked.

To date, we have already been able to eliminate two positions and reduce three jobs by two classification levels simply by the work that was done in one relatively small branch of the Commission.

"Classification Creep" as we call it has raised the overall annual salary costs of the Commission by \$400,000 in the last eighteen months. I am confident that we can retrieve much of that sum and that if other departments and agencies of the government do the same job, your letter along with the efforts of the Civil Service Commission will have a material beneficial effect upon the cost of government.

With best personal regards,

11/C/202

Roderick M. Hills

The Honorable Gerald R. Ford The President of the United States Washington, D.C. 20500

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