

Congress of the United States
Washington, DC 20515

February 6, 2008

Steven C. Preston
Administrator
U.S. Small Business Administration
409 Third Street, SW, Suite 7900
Washington, DC 20416-2230

Dear Mr. Preston,

We are writing to share our deep concern with the Small Business Administration's proposed rule published in the Federal Register on December 20, 2007 relating to opportunities for women owned small businesses. As currently articulated, we believe this rule, at best, does nothing to increase opportunities available for women owned small businesses to contract with the federal government, and at worst, sets back congressionally mandated efforts in this area.

As you know, federal policies to promote gender equality in contracting have existed since the 1960s. In 2000, Congress passed the Equity in Contracting for Women Act of 2000 which created a Women's Procurement Program to help women compete for government work. Instead of increasing women's ability to compete in the hundreds of industries where they are underrepresented, the SBA has, belatedly, proposed a rule that would limit government support for women-owned businesses to four industries: national security and international affairs; coating, engraving, heat treating and allied activities; household and institutional furniture and kitchen cabinet manufacturing; and other motor vehicle dealers.

These four categories are arbitrary and it is unclear why they were selected out of several thousand potential business categories. A RAND Corporation study, conducted at the request of SBA and released in April 2007 found that women-owned small businesses are underrepresented in 87% of industries. It is also disappointing that the Small Business Administration which should be an advocate for small business, at a time when few government agencies have met their congressionally mandated level of federal contracts awarded to women-owned businesses, would chose to restrict economic opportunities for women. In order to qualify for protected status, women-owned businesses would have to demonstrate underrepresentation and direct discrimination by a government agency. In an instance of the fox guarding the henhouse, before determining that a business qualifies, each agency would be required to conduct an appropriate analysis of its own procurement history to determine whether there is sufficient evidence of relevant discrimination in that industry by the procuring agency. This requirement appears to be an unnecessary delegation of the SBA's responsibility to other agencies and would likely make it much harder for women owned small businesses to achieve an equitable share of federal contracts.

The proposed rule, raises rather than reduces the bar to entry for women-owned small businesses and as such, it should be withdrawn. The rule as proposed will not increase the participation of

women-owned businesses in federal contracting as mandated by the Equity in Contracting for Women Act of 2000, and demonstrates a lack of leadership and accountability to this issue at the SBA. Seven years is far too long a time to wait for the implementation of a viable strong women-owned small business set-aside program. However a poorly developed and implemented program as presented in the proposed rule will do more harm. We ask that you withdraw the proposed rule, consult with Congress, and reissue a fair ruling that empowers women to do business with the federal government.

We look forward to working with you on this matter.

Sincerely,

Ellen Trauscher

Rubin Henjosa

Louise M. Slaughter

Barbara Lee

Jamy Baldwin

Sheila Jackson Lee

Dinn Duffette

Bob Filner

Coralyn B. Maloney

Niki Tsongas

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