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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

December 12, 2008

The Honorable Santanu K. Baruah
Acting Administrator
U.S. Small Business Administration
409 Third Street, SW
Washington, D.C. 20416

Dear Acting Administrator Baruah:

As Ranking Member of the Senate Committee on Small Business and Entrepreneurship, I truly appreciate your willingness to lay partisanship aside and work closely with President-elect Obama's transition team to effectuate a smooth transition of power at the Small Business Administration (SBA). As you expressly stated in a recent press article, I wholeheartedly agree that the SBA should "help set the table" for President-elect Obama and his incoming team.

This is why I am writing to suggest that during this Presidential transition, the SBA defer any further action on implementing the Women's Procurement Program until after President-elect Obama is sworn in. As you are aware, this rule has been highly controversial during the current Administration. This program was originally signed into law back in December 2000 and remains unimplemented – a clear travesty for women entrepreneurs across the nation. To date, there's been one statute on this issue, three reports, numerous Congressional hearings, two proposed rules, and one highly deficient final rule published as recently as October 1, 2008. Tragically, it appears that we're no closer today than we were eight years ago in helping our nation's women-owned small businesses stimulate our economy.

As you know, as part of its recent final rule, the SBA simultaneously requested public comments on a new proposed rule to determine the number of available business industries for qualifying firms. Unlike the initial proposed rule (72 Fed. Reg. 73,295), the SBA did not publicly release the underlying data referenced in the new proposed rule (73 Fed. Reg. 57,014). This has made it difficult, if not impossible, for interested parties to fully analyze and comment on the data in question. Moreover, the public dissemination of this information would have provided women small business owners the necessary facts to establish an informed opinion based upon the complete data used for the proposed rule.

Due to these fundamental flaws, I strongly oppose the SBA's rules to implement the Women's Procurement Program. These rules undermine years and years of bipartisan Congressional efforts to help women-owned small businesses compete for Federal

contracts on a level playing field. I remain dismayed that the SBA's final rule still requires each Federal agency to admit to discriminating against women. Moreover, the SBA's new proposed rule may only increase the number of eligible business industries from 4 to just 31 – leaving roughly 109 business industries out of the program.

Women entrepreneurs, who employ over 13 million people nationwide, deserve a contracting rule that will actually help them receive their fair share of business opportunities within the Federal government.

The SBA must listen to the thousands of comments I and others made concerning the women's program, continue to assist in the Presidential transition, and defer this issue to the next Administration providing them a fair opportunity to review, evaluate, and finally implement a rule for themselves.

Thank you for your consideration and cooperation with this request. If you have any questions please feel free to contact me or have your staff contact Mr. Erik Necciai, Counsel on the Committee on Small Business and Entrepreneurship, at 202-224-7884.

Sincerely,

A handwritten signature in blue ink that reads "Olympia J. Snowe". The signature is written in a cursive style with a large initial "O" and a long, sweeping underline.

Olympia J. Snowe