

**Testimony
of
Margot Dorfman, CEO
U.S. Women's Chamber of Commerce
Before the House Small Business Committee
On the Women's Procurement Program
January 16, 2008**

I am here again today on behalf of millions of women business owners from all across America to tell you that the Small Business Administration has once again sabotaged the implementation of the Women's Procurement Program. And, to remind you why this program – as Congress originally intended it to be implemented – is so dearly needed.

Recently the SBA filed a new set of proposed rules for the implementation of the Women's Procurement Program. These new rules ignore the recommendations of scientific and legal experts, and render the program ineffective by limiting its use to a handful of industries, and requiring each and every federal agency to “conduct an analysis of the agency's past procurement activities and make a finding of discrimination by that agency in that particular industry.”

For years and years the SBA has hidden behind false pleas for time while women business owners have lost billions of dollars: time to hear from the experts, time to gather the data, and time to understand how to determine women-owned status. But, with this latest action, they can no longer hide their contemptuous position towards securing fair access to federal contracts for women business owners.

The arbitrary and unscientific method they have chosen to select the industries for this program looks more like something pulled out of a hat than the results of seven years of work and a scientific disparity study. And the outrageous requirement that every agency conduct studies of discrimination in all industries, only shows us how far this administration will go to prevent women from gaining fair access to federal contracts.

When Congress first passed the Equity in Contracting for Women Act of 2000 – the SBA was to prepare a study to determine industries in which women business owners were underrepresented in federal contracting and establish procedures to verify eligibility

and participate in a competitive set-aside program. The SBA first undertook this study in house. After completing their own study, the SBA leadership determined that they needed a study of their study – and that they needed experts to tell them how to do the study correctly and how to interpret this study.

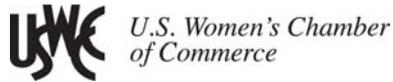
To this end, the SBA employed the National Research Council of the National Academy of Sciences. The NRC is a prestigious and well-respected institution which regularly is employed to provide expert advice to the federal government. The NRC established a prestigious Steering Committee for the project including the Chair of the School of Public Policy and Social Research at the University of California, Los Angeles, and scholars from the Hass and Marshall Schools of Business, the Department of Sociology at Rutgers University, and the School of Law at the University of Virginia.

These scientific and legal experts carefully framed the requirements for the study through the lens of the legal framework of disparity studies and the legal standards of gender preferences. They made a very clear set of recommendations. They recommended using four variables in four tables to show industry groups using a wide view of “ready and able” and a narrow view; and measuring contract actions vs. contract dollars.

The NRC also clearly stated how they recommend this data be interpreted. Industries that appear on two or more of the four tables may be deemed underrepresented. Using the NRC recommendations and the RAND data that followed, 87% of all industries should be included as underrepresented in federal contracting.

But, nothing is simple, direct and clear in the hands of the SBA! The SBA threw out the NRC’s scholarly recommendations and whittled away at possible measurements until they found a narrow selection they liked. Then, they tried to move the emphasis from underrepresentation to discrimination and tagged on the incredible requirement that every agency complete a discrimination study in every industry. Again, the SBA has turned years of time and money into a ridiculous circus treating the lives of thousands and thousands of American citizens as toys in some political game.

Trust me, to women business owners, this is no game. Fair access to federal contracts is serious business. The economic and political rise of women in America is



truly something for the history books. But, the economic realities for women business owners remain very troublesome.

Since the paltry five percent goal for contracting with women-owned firms was set in 1994, the federal government has never hit the mark. Even today, as women own thirty percent of all firms in America, the federal government lags behind in doing business with women. Women lose between five and six billion dollars every year as the federal government fails to meet the low five percent mark. And the openly unsupportive attitude that is exhibited by the SBA only serves to continue a sad tradition of failure within the government contracting ranks.

Once again I ask the House Small Business Committee to compel the SBA to implement the Equity in Contracting for Women Act of 2000 as intended by congress seven years ago. It is clear that, without this law in place, women owned firms are losing billions of dollars annually. Women business owners are ready and able to grow their businesses. We ask you to support their growth as they provide for their families and advance the economic growth of their communities.