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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

TELEPHONE: (202) 224-5175 FAX: (202) 224-5619

October 2, 2018

The Honorable Linda McMahon
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator McMahon:

As Ranking Member of the Senate Small Business and Entrepreneurship Committee, I write to express my concern over the decision to remove the Spanish version of the Small Business Administration's (SBA) website, SBA en español. There are an estimated 4.37 million Hispanic-owned businesses in America, generating over \$700 billion in revenue to the U.S. economy, and it is vital that they have the tools they need to create and grow their small businesses. I urge you to reconsider this decision and restore this important resource for Hispanic entrepreneurs.

Hispanic-owned businesses play an increasingly important role in our economy. According to a 2017 report, "Hispanic Businesses and Entrepreneurs Drive Growth in the New Economy," Hispanic-owned businesses increased by nearly 32 percent between 2012 and 2017, growing faster than any businesses owned by another race or ethnic group. During the same period, sales from Hispanic-owned small businesses increased from \$517 billion in 2012 to \$709 billion in 2017.

As you know, entrepreneurship is a powerful way to reduce the wealth gap in America, particularly for minority communities. Small business ownership usually results in higher levels of wealth, and fostering entrepreneurship can open up opportunities that are oftentimes hard to come by in minority communities. Investing in minority-owned small businesses also builds wealth in those communities, as small businesses reinvest significantly more back into the local economy. This is particularly important in minority communities, which often suffer from underinvestment.

As underscored at the Senate Small Business and Entrepreneurship Committee hearing on September 14th in Baltimore, minority small businesses face persistent obstacles in accessing capital and obtaining contracting opportunities. Minority owned businesses are two to three times more likely to be denied credit, more likely to avoid applying for loans based on the belief that they will be turned down, and more likely to receive smaller loans and pay higher interest rates on the loans that they do receive.

Given the benefits of entrepreneurship and the significant challenges minority-owned entrepreneurs have to overcome, the SBA should be taking steps to make it easier, not harder for Hispanics to start and grow their small businesses. The SBA's decision to eliminate the Spanish version of its website and replace it with Google Translate is particularly troubling and a step in the wrong direction.

While Google Translate is an important and powerful tool for casual translation purposes, it is not the appropriate tool for conveying complex business and legislative information. The translation is not always literal and Google Translate allows users to contribute what they believe to be a better translation. As expressed by Fernand Fernandez, the former Interim President and CEO of the United States Hispanic Chamber of Commerce, "when operating a business, you have to handle legal terminology, tax codes, and complicated procedures for acquiring business loans. SBA en español helps Hispanic business owners take the steps to start and scale businesses in a clear and comprehensible manner."

SBA en español, which reportedly hasn't been updated since December 2016, provided accurate translations and its blog provided valuable information about issues that are unique to Hispanic business owners, including tips for accessing capital and securing federal contracts. It also provided valuable information about LINC – the predecessor to Lender Match – a technology platform that allows entrepreneurs to connect directly with approved SBA lenders. Unfortunately, Lender Match only exists in English and the "translate" option is not currently available.

I am seeking a detailed explanation on the decision to remove SBA en español and request that you provide responses to the following questions:

- 1) Specifically, what led to the SBA's decision to the remove the Spanish version of its website?
- 2) Please provide all documentation regarding the decision to remove the website.
- 3) Please provide a detailed explanation of the information that would become unavailable or translated inaccurately with Google translation.
- 4) Please provide a detailed plan to restore the information previously available to Hispanic business owners in a comprehensible manner that makes sense to Spanish speakers.

Thank you for your attention to this important matter, and I look forward to your response.

Sincerely,



Benjamin L. Cardin
Ranking Member