

**STATEMENT  
INCREASING GOVERNMENT ACCOUNTABILITY AND  
ENSURING FAIRNESS IN SMALL BUSINESS CONTRACTING  
SENATE COMMITTEE  
ON SMALL BUSINESS AND ENTREPRENEURSHIP  
Senator Olympia J. Snowe  
JULY 18, 2007**

**Thank you, Chairman Kerry, for holding today's vital hearing on government contracting, and for your continued leadership on this matter. I would also like to welcome Patricia Rice, who is testifying today, from Bangor, Maine. Patricia is the Director of Maine's Procurement Technical Assistance Center which, last year, assisted Maine's small business gain \$123 million in government contracts and helped create and sustain 2,857 jobs!! Patricia, I couldn't be more grateful for all you have accomplished for our state, and I appreciate the benefit of having your testimony here today.**

**As Ranking Member of this Committee, I am dismayed by the myriad ways that government agencies have time and again egregiously failed to meet most of their small business statutory "goaling" requirements. This afternoon, I look forward to hearing from the Administration on specific and realistic solutions for – finally – achieving contracting goals for small businesses.**

**I am alarmed that only one Federal small business contracting program – the small disadvantage business program – has met its statutory goal, and that the three other small business "goaling" programs have all fallen drastically short. For example, in Fiscal Year 2005, women-owned small businesses achieved only 3.3 percent, failing to meet its five percent small business goal while the Historically Underutilized Business Zone (HUBZone) program met only 1.9 percent of its three percent goal. Most troubling of all, our nation's**

**service-disabled, veteran-owned small businesses received a government-wide, paltry total of only 0.6 percent of its three percent small business goal!! Shockingly, the Department of Defense granted an abysmal 0.49 percent to service-disabled, veteran-owned small businesses. This is no way to treat those who have given their all for this country – and who seek to contribute even more through business!!**

**The Federal government can and must provide more to our country's small businesses. This afternoon I intend to explore what action Federal agencies are taking to confront “contracting bundling,” which takes contracting opportunities out of the hands of small business. Other issues I want to probe include sub-contracting, inaccurate small business size determinations, flawed reporting data, under-utilization. And the litany goes on and on.**

**As the Chairman is well aware, these problems are not new, and this committee has held countless hearings on various contracting concerns. Business opportunities through federal contracts provide vital economic benefits for small business which is why last year, my Small Business Administration Reauthorization Bill, which passed this committee unanimously, contained a robust package of small business contracting initiatives.**

**The President's 2002 nine-point, anti-bundling initiative directly addresses the challenges small businesses face. But unfortunately for our nation’s small businesses, the President’s initiative has yet to be followed agency-wide. I would like to ask our panel of Administration witnesses a simple question: Why? Our government cannot claim to be serious about contracting opportunities for small business if laws are not followed and goaling deficiencies of this magnitude are allowed to continue. Now is a time for action, not words.**

**That is why, last month, Chairman Kerry and I requested that Government Services Administration (GSA) refrain from terminating its office supply “stock” program – at least until the Government Accountability Office (GAO) conducts a report on the economic impacts that this potential termination will bear on hundreds of small businesses across the country.**

**I have been a longstanding champion for small business programs such as the HUBZone program. In my home state of Maine, only 118 of 41,026 small businesses are qualified HUBZone businesses. HUBZones represent a tremendous tool for replacing lost jobs for our Nation’s declining manufacturing and industrial sectors – clearly, this program should be better utilized.**

**To that end, earlier this week, I requested, with Senator Bond, that the GAO investigate how the Federal government can increase the use of HUBZone program. Today, I intend to find out what we can do to further increase the use of all small business contracting programs – including the HUBZone, women-owned small business, service-disabled veteran-owned small business, and small disadvantaged business programs.**

**I look forward to working with you, Chairman Kerry, in developing bipartisan small business procurement legislation which would ensure that all mandated small business goals are not only met – but exceeded.**

**Thank you, Mr. Chairman.**