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United States Senate

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

May 3, 2007

The Honorable Steven Preston
U.S. Small Business Administration
409 Third Street, SW
Washington, D.C. 20416

Dear Administrator Preston:

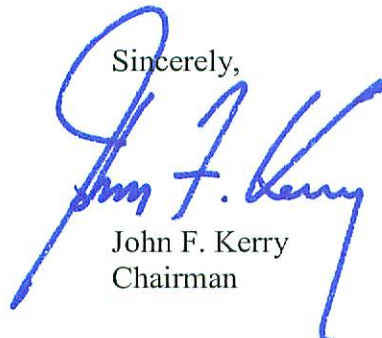
I am writing on the occasion of the release of the RAND study documenting disparity for women in federal procurement to urge you to implement the long awaited Women's Procurement Program without delay. The Women's Procurement Program, codified in Section 8(m) of the Small Business Act, as enacted into law in 2000, is intended to provide a direct means of increasing the participation of women-owned small business concerns in the federal procurement marketplace.

A quick review of the numbers suggests that a women's set-aside program is sorely needed. According to the last census there are more than 6.5 million women-owned businesses with total gross revenues of \$940 billion. Yet, only 3.3 percent of federal prime contracting was done with women-owned firms in 2005, falling well short of the 5 percent set-aside goal.

The RAND study only reinforces the need to implement the Women's Procurement Program for the millions of women who are trying to break into the federal contracting arena. While the study assesses the level of disparity for women-owned businesses in several different ways, it leaves it up to policy makers to determine the way the Women's Procurement Program is to be implemented. I urge you to implement an aggressive program that will address the severe under-representation of women in federal contracting. It is critical that the program is structured to address the worst disparities revealed by the RAND study. The study concluded that 87 percent of industries are under-represented with respect to women-owned businesses getting federal contracts. That analysis properly lays the required constitutional foundation to implement the set-aside program for women-owned businesses in a way that best embodies the spirit of PL 106-554.

Please update me by May 18th about how you intend to use the RAND study as you implement the Women's Procurement Program, and please provide me with a detailed timeline on how you plan to proceed. Thank you in advance for your cooperation on this important issue. If you have any questions please feel free to contact me, or have your staff contact Gregory Willis at (202) 224-5175.

Sincerely,



John F. Kerry
Chairman