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United States Senate

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

August 17, 2007

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

Dear Administrator Preston:

On May 25, 2007, President Bush signed into law the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, which contained a provision creating a renewal grant program for the Small Business Administration's (SBA) Women's Business Center program. This provision enabled all Women's Business Centers, including those which have graduated or are graduating in FY 2007 from the sustainability program, to apply for 3-year renewal grants. The legislation made the renewal grant program effective immediately, and Congress intended for new renewable grants to be disbursed to those eligible graduated and graduating centers by October 1, 2007.

The fact that these funds will not be disbursed to graduated or graduating centers by October 1, 2007, will hurt women business owners who need technical assistance. Therefore, to comply with the law and to mitigate any adverse consequences for women business owners seeking assistance, the SBA must temporarily tailor and abbreviate its up-coming grant making process so that the new renewable grants are disbursed to eligible centers by January 1, 2008. (In order to keep the grant cycle consistent, the first renewable grants should be scheduled to end on the last day of FY 2010.)


Women's Business Centers are instrumental in supporting the growth and success of women owned businesses, and it is very important that the Agency implement the renewal grant program as soon as possible. There are nearly 10.4 million women owned firms throughout the nation, employing more than 12.8 million people, and generating \$1.9 trillion in sales. Despite their contribution to the economy and double digit increases in women business ownership, women are still less likely than men to own businesses, and, if they do own businesses, their average size of business is smaller. Women's Business Centers specifically target low-income women, and between 45 and 60 percent of economically disadvantaged individuals entering the program are no longer in poverty a year or two later.

In the past, Women's Business Centers could only receive funding from the federal government for up to 10 years. This left established centers struggling for funds, from Massachusetts and Maine to New Hampshire and New Mexico. Women's Business

Centers target low-income women and are therefore unable to charge more than nominal fees for their services. Consequently, ongoing federal funding is essential in order for these centers to continue their work with women entrepreneurs.

We urge the SBA to support the established centers and to implement the program in a way that would allow them to immediately apply for grants so they can begin receiving grants as of January 1, 2008. Please let us know how the SBA plans to implement these changes and how the Committee can be helpful to you and your staff in meeting these timelines.

Sincerely,



JOHN F. KERRY
Chair



OLYMPIA J. SNOWE
Ranking Member