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## THE BLOG

# Defense Industry Giants Block Small Business Job Creation Bill

07/08/2010 02:29 pm ET | Updated May 25, 2011

 Like 9**Lloyd Chapman**   
Small business advocate

What percentage of Americans would agree that Fortune 500 firms should not be receiving federal small business contracts? 100 percent would be very close.

This fact doesn't seem to matter to Congress and/or the Obama Administration. A bill to stop corporate giants from hijacking billions of dollars in federal funds earmarked for small businesses has yet to become law. H.R. 2568, the Fairness and Transparency in Contracting Act would stop the federal government from diverting over \$100 billion a year in federal small business contracts to defense giants and hundreds of other large businesses.

The passage of the Fairness and Transparency in Contracting Act would infuse more federal funds into the middle class than any other economic stimulus plan that has been proposed by the Obama Administration to date. Up to 4 million new jobs could be created if H.R. 2568 were signed into law.

Since 2003, over a dozen federal investigations have found that many of the largest defense contractors in the United States and Europe have wrongfully landed billions of dollars in federal small business contracts. The list of mega corporations receiving small business contracts includes the majority of the nation's top defense contractors. Lockheed Martin, Boeing, Northrop Grumman, General Dynamics, Raytheon, L-3 Communications and Bechtel have all received billions of dollars in federal small business contracts. European defense giants such as British Aerospace (BAE), Rolls-Royce, French firm Thales Communications and Italian defense giant Finmeccanica SpA have also been allowed to take U.S. government small business contracts.

The defense and aerospace industry has spent millions of dollars lobbying key congressional committees to kill H.R. 2568, the Fairness and Transparency in

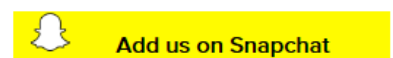
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Contracting Act. Both the House and Senate small business committees have refused to take up the bill. Both committees have received dramatic contributions from major defense and aerospace contractors and their powerful Washington D.C. based lobby groups.

During the 111th Congress members of the House Committee on Small Business received \$701, 350 in contributions from the defense industry, according to the Center for Responsive Politics.

Boeing is one of the world's largest corporations, but representatives from Boeing are routinely included in House Small Business Committee hearings on small business policy. House Small Business Committee Chair Nydia Velazquez has included Boeing in hearings while routinely excluding groups like the American Small Business League (ASBL), which is fighting to end widespread fraud and abuse in federal small business contracting programs. Why in the world would Representative Velazquez include one of the world's largest corporations in hearings on small business policy?

Representative Hank Johnson (D-GA) introduced H.R. 2568, and the bill currently has 25 co-sponsors. Although the bill is unlikely to pass in the current session, Congressman Johnson will likely reintroduce the bill.

Another concern is the fact that President Obama appointed William Lynn III, a former top lobbyist for Raytheon Co., to the position of deputy secretary of Defense. It is no secret in Washington that Mr. Lynn and the Pentagon have been pushing to not only block H.R. 2568, but to dismantle government contracting programs for small businesses.

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