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THE BLOG

Obama Refusing to Back Private Sector Jobs Bill

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President Barack Obama is refusing to back a bill that could create millions of jobs in the private sector. The bill, [the Fairness and Transparency in Contracting Act, H.R.2568](#), was introduced by Georgia Congressman Hank Johnson last May. The [American Small Business League \(ASBL\)](#) wrote the original draft of H.R. 2568. The bill is designed to stop the federal government from diverting over \$100 billion a year in federal small business contracts to Fortune 500 firms and many of the largest businesses in Europe.

Since 2003, [a series of federal investigations](#) have found billions of dollars a month in federal small business contracts have been diverted to firms like Lockheed Martin, Boeing, Northrop Grumman, Raytheon, General Dynamics, Bechtel, Dell Computer and Xerox. Corporate giants from around the world that have received U.S. government small business contracts include Rolls-Royce, British Aerospace (BAE), French giant Thales Communications, Ssangyong Corporation headquartered in Seoul, South Korea and Finmeccanica SpA, which is located in Italy and has 73,000 employees. [A recent investigation by Stars and Stripes Magazine](#) found the federal government had awarded over \$41.6 billion in small business contracts to ["miscellaneous foreign contractors."](#)

H.R. 2568 would stop the federal government from reporting contract awards to publicly traded firms and foreign owned companies as small business awards. The bill is based on language in the Small Business Act, which states that a small business must be "independently owned" in order to receive federal small business contracts.

If President Obama were to sign H.R. 2568 into law, or pass by executive order, over \$100 billion in existing federal infrastructure spending would be redirected to legitimate small businesses in the private sector. Since the bill requires no new

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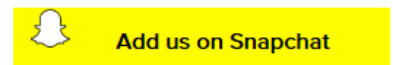
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spending or tax increases, it is deficit neutral. [The Obama Administration had estimated that for every billion dollars in infrastructure spending, 40,000 new jobs would be created.](#) Based on those projections, if H.R. 2568 were to become law, over four million new jobs could be created.

The ASBL points to H.R. 2568 as being far superior to the Obama Administration's \$30 billion small business lending bill. As opposed to a one-time infusion of \$30 billion in loans, H.R. 2568 would inject over \$100 billion a year in federal contracts into the small business economy for decades to come.

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