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THE BLOG

Obama Small Business Task Force May Ignore #1 Problem

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 Like 0**Lloyd Chapman** 
Small business advocate

On Monday, April 26, President Barack Obama announced the establishment of two task forces charged with removing barriers to access, and monitoring goals, for federal contracting with small businesses. Based on President Obama's track record for small businesses to date, the American Small Business League (ASBL) is concerned that the task forces will ignore the #1 challenge facing small businesses competing in the federal marketplace, which is the diversion of federal small business contracts to large corporations.

To date, President Barack Obama has:

- Refused to end the diversion of billions of dollars a month in federal small business contracts to corporate giants, and consistently misled Congress and the media by claiming that the diversion of federal small business contracts to large corporations is the result of "miscoding," and "data entry errors."
- Failed to restore the Small Business Administration's (SBA) staffing to pre-Bush Administration levels.
- Distributed less than 2 percent of funds allocated under the American Recovery and Reinvestment Act (ARRA) directly to small businesses.
- Allowed for the dismantling of small disadvantaged business and minority owned business contracting programs. (<http://www.acq.osd.mil/osbp/policy/USA001376-09%20Signed.pdf>)
- Destroyed a decade's worth of federal contracting data that has been used to prove that Fortune 500 firms have illegally received billions of dollars in federal small

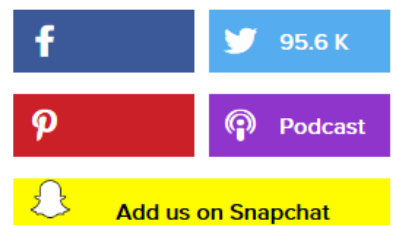
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prove that Fortune 500 firms have illegally received billions of dollars in federal small business contracts.

- Refused to release a wide range of information including the names of recipients of small business contracts, and documents showing prime contractor compliance with small business subcontracting goals.

The ASBL is concerned that one of the top recommendations issued by the Obama Administration's two small business task forces will be a change to the 57 year-old federal definition of a small business, as being independently owned, to include firms owned and controlled by venture capitalists. The ASBL believes the change will be made under the guise of increasing access to capital for small businesses, while actually hurting small businesses by diverting small business contracts to some of President Obama's wealthiest venture capitalist donors.

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In order to provide the small business community with greater contracting opportunities and stimulate our nation's economy, the ASBL recommends the Obama Administration take the following actions:

1. Maintain the current definition of a small business as being independently owned, and prevent the diversion of federal small business contracts to firms owned and controlled by wealthy venture capitalists.
2. End the Comprehensive Subcontracting Plan Test Program, which currently allows large prime contractors to ignore their small business subcontracting goals.
3. Issue an executive order that would stop the diversion of billions of dollars a year in federal small business contracts to Fortune 500 corporations and other clearly large businesses.

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