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### ENTREPRENEURS

#### Small Business Administration plan angers women

For years women business owners have been waiting for an SBA proposal that would give them a fair share of government contracts. Now they're wondering why it took so long to produce a rule that does so little.

BY JIM WYSS

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For seven years women entrepreneurs waited for the Small Business Administration to issue a ruling they hoped would give them a fair cut of federal contracts. While women own a third of all businesses, they received just 3.4 percent of U.S. government deals in 2006.

So, when the SBA announced a long-delayed proposal last month, it should have been reason for women to cheer. It wasn't.

The SBA found that women only need additional help in getting contracts in four of 140 industries: motor vehicle dealerships, national security and international affairs, coating and engraving, and furniture and kitchen cabinet manufacturing.

"I don't know how many kitchens the federal government buys, but come on, where are the big budget items?" asked Annette Taddeo, the chief executive of Miami's LanguageSpeak, which provides interpretation and translation services to corporations.

Taddeo said she has competed for about 10 federal contracts and never received one. "We are leaving a big piece of the pie out there because the government doesn't really have a program to help women get contracts. We haven't been part of the game."

On Wednesday the House Small Business Committee is hoping to find out why it took so long for the SBA to come up with a rule that seems to do so little to address the inequity. The issue is particularly important in Florida, where women own 40 percent of all privately held companies by some estimates.

"SBA's proposal should be scrapped," said Small Business Committee Chairwoman Nydia Velázquez, D-NY. "It makes eligible less than 3 percent of the 10 million women-owned small businesses across America, and only those in obscure industries like cabinetmaking and engraving. Seven years is a long time to wait for implementation, especially when the result is a proposed program that shuts out most of the entrepreneurs it was specifically designed to help."

The rule is open to public comment through February and could become effective by the fall of 2009.

The SBA is defending its proposal saying its scientifically sound and constitutionally grounded.

"If the government confers a substantive benefit on a racial group or a gender that it does not offer to others, there has to be a sufficient justification for doing so," the SBA wrote. "SBA has worked closely with the Department of Justice to consider the constitutional ramifications."

The quest for better representation in federal contracting goes back to 1994 when Congress proposed channeling 5 percent of all government contracts to women-owned small businesses. It is a goal that has never been met. In 2000 President Clinton ordered the SBA to create a set-aside program -- similar to ones for disabled veterans and small disadvantaged businesses -- that would earmark some contracts for women entrepreneurs. After years of stumbles, missteps and a lawsuit leveled by the U.S. Women's Chamber of Commerce, the SBA finally contracted the RAND Corp. in 2006 to pinpoint the industries where set-asides might be needed.

Using as its baseline the Central Contractor Registry, where small businesses register to do business with the government, RAND concluded that women were not getting their fair share of contracts in four industries. However, the same study found that if the baseline were all companies -- registered or not -- women-owned businesses would be under-represented in 87 percent of all contracting industries.

That's a more accurate measure, said U.S. Women's Chamber of Commerce Chief Executive Margot Dorfman, who is slated to testify at Wednesday's hearing.

"There are thousands of women-owned firms that have attempted to do business, got discouraged and let their CCR [registration] drop," she said. "Just because they are not registered doesn't mean they are not capable."

Mercedes LaPorta owns Mercedes Electric Supply in Medley and runs one of the few such women-owned companies in the nation. In business for 28 years and with annual sales of \$25 million, LaPorta has been able to score state and local contracts but has never won a federal deal despite bidding on dozens since the 1990s.

"This hasn't stopped me from going after government contracts, but I am getting absolutely nowhere," she said. Recently she signed up to be a subcontractor through heavyweight Halliburton. "That's how I'm trying to get my foot in the door."

Taddeo, of LanguageSpeak, said she has found the government contracting arena daunting. "They say corporate America is difficult to deal with, but no way, the government is much more difficult," she said. "It shouldn't be that way; I expect more from America."

