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Obama Administration Proposes Final Phase In Killing Small Business Programs

By: **Lloyd Chapman (Diary)** | February 27th, 2015 at 06:49 PM |

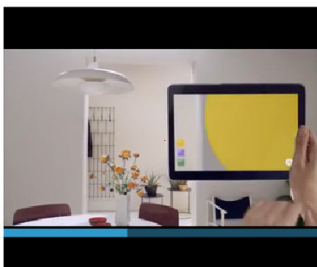
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In the last year the Obama Administration has implemented policies and legislation that will slowly dismantle all federal programs for small businesses. In his 2016 budget he announced his plan that will permanently close the Small Business Administration by combining it with the Department of Commerce.

I predicted Obama would close the SBA by combining it with the Department of Commerce in 2008 after working on his campaign Small Business Advisory Committee.



Another indication President Obama intended to kill all federal small business programs appeared when his administration adopted the "safe harbor from fraud" policy. This new anti-small business scam has essentially legalized fraud in federal small business contracting programs. Under the new policy subsidiaries of Fortune 500 firms and large businesses can hijack billions of dollars in federal small business contracts and if they are caught, they can avoid prosecution and all penalties by simply claiming they "acted in good faith."

Prior to the final implementation of the "safe harbor from fraud" policy, firms that misrepresented themselves as small businesses to illegally land federal small business contracts could face up to ten years in prison, a fine of up to \$500,000, or both under Section 16(d) of the Small Business Act.

The next indication the SBA and all of its programs to help America's 28 million small businesses were on the chopping block came with the renewal of the Pentagon's Comprehensive Subcontracting Plan Test Program (CSPTP). The Pentagon adopted the CSPTP in 1989 under the pretense of "increasing subcontracting opportunities for small businesses." In reality it eliminated all transparency on small business subcontracting programs for the Pentagon's largest prime contractors. It also eliminated the "liquidated damages" penalty prime contractors had previously faced for failing to comply with their small business subcontracting goals.

In September of 2014, Professor Charles Tiefer issued a legal opinion on the CSPTP that described it as a "sham". Prof. Tiefer stated, "The program is a sham and its extension will be seriously harmful to vital opportunities for small business... There is no doubt in my mind the CSPTP has significantly reduced subcontracting opportunities for small businesses. It should not have gotten its 25 years of extension as a never-tested 'Test Program.' Let it expire."

A 2004 investigation of the CSPTP by the General Accounting Office found no evidence the program had benefited small business in any way.

The Chairman's Mark of the 2015 National Defense Authorization Bill acknowledged there had been no evidence in 24 years that the CSPTP had actually increased subcontracting opportunities for small businesses.

The Pentagon has refused to release any data on the CSPTP for over a quarter of a century. In a federal lawsuit filed by the American Small Business League to force the Pentagon to release incriminating data on the CSPTP, Federal Judge William Alsup accused the Pentagon of trying to "cover up" the data and "suppress the evidence."

After 25 years, Pentagon spokeswoman, Maureen Schumann, finally acknowledged the CSPTP had reduced subcontracting opportunities for small businesses and had actually "led to an erosion of [the agency's] small business industrial base."

Even after overwhelming evidence the CSPTP has cost middle class small businesses billions of dollars in federal subcontracts, President Obama signed legislation renewing the CSPTP into its twenty-eighth year of testing.

If Congress allows President Obama to permanently close the SBA and end all federal small business programs it will be devastating to the middle class economy. The single largest federal program in history to boost the middle class economy, create jobs and foster small businesses is the Small Business Act. Today that law mandates a minimum

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Foster small businesses is the Small Business Act. Today that law mandates a minimum of 23% of all federal contracts be awarded to small businesses.

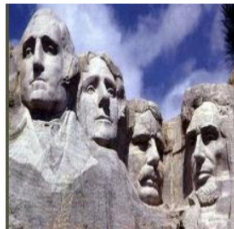
Despite his hollow rhetoric about “American families”, everyone getting a “fair share” and “middle class economics”, I think President Obama will go down as the most anti-small business President in history. With the help of Obama’s billion dollar backers in the media his sinister plan to kill all federal small business programs will go unreported.

U.S. Census Bureau data tells us American small businesses are responsible for over 90% of the net new jobs, over 50% of the private sector work force and over 50% of the gross domestic product.

I predict within five years, all federal programs that were created by the Small Business Act to help the 28 million small businesses where most American’s work today will have quietly been eliminated.

When that day comes, we will have Barrack Obama to thank for the death of the only federal agency that was ever created to support the middle class economy.

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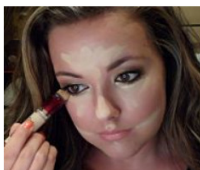


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Saul Alinsky said you have to pretend to be middle class to kill the middle class. Killing small business will help kill the middle class. Then everyone will be either a serf or an apparatchik. Obama’s vision of a new US-SSR will be achieved. This is the most anti-middle class president in my lifetime. I truly fear for the USA.

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