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## U.S. BLACK CHAMBERS, INC.

*The National Voice of Black Business*

*\*Not affiliated with the National Black Chamber of Commerce*

December 6, 2019

The Honorable James Inhofe  
Chair  
Committee on Armed Services  
U.S. Senate  
Washington, DC 20510

The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
U.S. Senate  
Washington, DC 20510

The Honorable Adam Smith  
Chair  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mac Thornberry  
Ranking Member  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Chair Inhofe, Ranking Member Reed, Chair Smith and Ranking Member Thornberry:

On behalf of the U.S. Black Chambers, Inc., the voice of Black business in America, I have two key requests for your committees. As you finalize the fiscal year 2020 National Defense Authorization Act (FY20 NDAA), we ask that you expand Section 852 of the FY19 NDAA, "Prompt Payments of Small Business Contractors," to include all federal agencies, not only the Department of Defense. We also ask for a Government Accountability Office (GAO) study on the implementation of Section 852, whether the government is paying interest on invoices not paid within a timely manner, the number of federal contracts awarded to Black-owned firms, and the timeliness of their payment.

As you know, the QuickPay Initiative (launched in 2011) required all federal agencies to expedite payments to small business contractors with the goal of paying within 15 days. This cut in half the time it took for small contractors working with the federal government to get paid. This expediency is important to small businesses, as delay in payments can cause uncertainty, closure, or the need to take out a short-term bridge loan to keep the doors open while awaiting payment. It is arguably even more important for the Black-owned businesses that we represent, given the disproportionately high interest rates that the Black community faces when taking out loans.

QuickPay was undoubtedly a success and resulted in over \$1 billion in cost savings for small businesses, leading to greater investment and job creation.

Section 852 of the National Defense Authorization Act of 2019 required only the Department of Defense to pay small business contractors and prime contractors that subcontract with small businesses within 15 days. Many American small businesses that contract with the federal government fall outside of the scope of benefits in this

legislation. For this reason, we urge Congress to expand the language on prompt and to all federal agencies and ensure that the proper interest in being paid when prompt payment is not made.

America's 2.58 million Black-owned businesses play an important role in the economy and support nearly 3.56 U.S. jobs.. To preserve their success and allow for continued investment in new opportunities, new equipment and new hiring, they need the assurance that prompt payment provides.

Sincerely,

Ron Busby  
President & CEO  
U.S. Black Chambers, Inc.