



U.S. BLACK CHAMBERS, INC.

The National Voice of Black Business

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

August 30, 2022

The Honorable Ben Cardin
Chair
Senate Committee on Small Business
and Entrepreneurship
Washington DC 20510

The Honorable Rand Paul
Ranking Member
Senate Committee on Small Business
and Entrepreneurship
Washington DC 20510

Dear, Chair Cardin and Ranking Member Paul:

I write to you on behalf of the [U.S. Black Chambers, Inc.](#) (USBC), the national voice for Black businesses, comprised of 152 member Chambers of Commerce and affiliated Business Associations in 43 states, representing 380,000 businesses nationwide. As President and CEO of the U.S. Black Chambers Inc., I write to provide our endorsement of the *Federal Contracting Fairness Act of 2022*, which contains critical modernizations to uplift Black business owners who have previously been rejected from federal contracting opportunities based on stigma, resource deficiency, and lack of institutional and administrative support.

The *Federal Contracting Fairness Act of 2022* makes long-awaited adjustments to the Small Business Administration (SBA) 8(a) Business Development Program that work to increase equitable access to contract opportunities for Black firms. Among its provisions that will most directly impact, and uplift, Black firms include the institution of a ramp-up period for newly certified 8(a) firms to ensure that firms are not shut out of the program before gaining the experience needed to enter the marketplace outside of the program. In that same vein, the legislation would create a transition period so that 8(a) companies can continue to grow within the program, thus reducing the likelihood of a proverbial “8(a) cliff” in which Black firms cannot compete for contracts without their 8(a) certification, in which USBC has remained a vocal advocate towards eliminating.

We are pleased to see that this legislation would streamline administrative processes for 8(a) companies; right now, it is often too costly and cumbersome to obtain 8(a) certifications, creative administrative barriers for small, Black firms seeking to compete for and obtain federal contract dollars. Of utmost importance, the legislation would increase existing sole source award caps; a barrier that has forced Black firms to be sidelined in the federal marketplace as subcontractors, rather than compete for larger, prime contracts. The current sole source threshold for Black firms in the 8(a) certification of \$4 million is far too low for firms who need substantial capital to compete

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for prime contracts. Additionally, the *Federal Contracting Fairness Act of 2022* incentivizes participation into the mentor-protégé program by increasing the number of mentors and benefits to participating in that program.

Lastly, it is critically important that the SBA make public disaggregated data by demographic on the size, and number of contracts awarded to small businesses. This datapoint has been severely lacking across federal agencies and has led to misrepresentations of the federal contracting ecosystem. The inclusion of demographic data fields in SAM.gov (within the reporting section of this legislation) will enable stakeholders to monitor, track, and understand the current gaps in the procurement marketplace for Black firms, who continue to face utilization compared to their counterparts in other demographic groups. Among critical improvements in reporting on the 8(a) program, the legislation will require the SBA to report on the ability of small businesses by demographic to compete for and obtain larger set-aside and sole source contracts with the end goal of eliminating blaring inequities to Black firms participating in the 8(a) program.

Historic and systemic inequities in the 8(a) program have led to a mass exodus of Black firms from the federal procurement marketplace. As the Administration has stated intent to bring back small and diverse suppliers into the federal contracting base (as it has sharply declined over the last decade) the improvements in the *Federal Contracting Fairness Act of 2022* represent a critical step towards bringing back our small, Black suppliers into the contracting base.

I have long said that for there to be a strong America, there must be a strong Black America. For there to be a strong Black America, we need strong Black businesses. To have strong Black businesses, we must produce contract ready Black firms; this means providing the most underutilized firms with ample opportunities for new business and new opportunity such as those within the federal marketplace.

We thank the Senate Committee on Small Business and Entrepreneurship for their work on this legislation and its potential far-reaching impacts on our community. We urge the United States Senate to swiftly pass this legislation to drive equitable impact to Black contractors across the country. As opportunity could not be greater to access federal contracts amid the rollout of the *Infrastructure Investment and Jobs Act*, we must ensure that Black firms can fairly access and compete for the opportunities that come with rebuilding infrastructure and diversifying supply chains across the country.

On behalf of the U.S. Black Chambers, Inc., we thank you again for your support of our community, and we look forward to ensuring an equitable and prompt implementation of this legislation. Should you have any follow-up questions, please do not hesitate to reach out to our team directly at: ron@usblackchambers.org.

In the spirit of success,



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