



U.S. Small Business Administration

TESTIMONY of

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U.S. Senate Committee on Small Business & Entrepreneurship

Opportunities and Challenges with the
Small Business Administration's Federal Contracting Programs

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Chairman Risch, Senators Murkowski and Sullivan, thank you for the invitation to testify today, and for having this important hearing to discuss federal contracting programs at the U.S. Small Business Administration.

As the Associate Administrator for the Office of Government Contracting and Business Development, or GCBD for short, it is my job to ensure that small businesses can compete for federal opportunities. In FY2017, that included a record \$105.7 billion dollars in set-aside awards to small businesses.

As part of that, my office oversees the 8(a) Business Development Program, which helps provide a level playing field for small businesses owned and controlled by socially and economically disadvantaged individuals or certain specified disadvantaged entities. Alaska Native Corporations, or ANC's are included in this program. As you know, ANC's play a unique and integral role in the economic development here in Alaska, and we have been working hard to ensure their successful participation in the 8(a) program.

Administrator McMahon and I share a passion for making SBA's procurement-related programs, and particularly the 8(a) Business Development program, more efficient and less burdensome to both procuring agencies and our small business constituents.

For over 35 years I have been working in and around the 8(a) program, and now have the honor, privilege and responsibility to protect, improve and enhance a program that has been so central to my professional life, and is synonymous with SBA.

The best way to do that is to directly hear from our customers, and learn from them what is working, and what can work better.

With that in mind, last year Administrator McMahon brought her Ignite Tour to Alaska. Her trip included meetings with business owners, ANC representatives, and other entrepreneurs in Anchorage, Bethel and Kwethluk. She had the opportunity to see and hear firsthand the issues facing small businesses in Alaska, including those related to federal contracting programs.

Based on the feedback she received, I have been focused on making sure the SBA is best maximizing the delivery of the 8(a) program. I would like to share some of the progress we have made at the agency to improve the program:

As previously mentioned, hearing directly from our partners is imperative to learning about how our programs are functioning. This is my fourth trip to Alaska as head of GCBD, and I receive valuable insight and feedback every time I am here.

Last month, I was here with my colleague John Klein. We held a tribal consultation session with ANC's, their shareholders and tribal representatives in Alaska. We had excellent conversations about streamlining and reducing specific regulatory burdens in a sensible way. I appreciated the opportunity to interact with the ANC's during this session, and the positive feedback the ANCSA Regional Association provided.

Last week I spoke at the National 8(a) Association Annual Conference here in Anchorage. I discussed the improvements we have been making, like making it easier to get qualified companies certified, and continued to receive valuable feedback on what we can be doing better.

I share the following examples to let you know that we value the input we have received, and that these meetings have already resulted in program improvements:

We have added three Business Opportunity Specialists, or BOS's, in the Alaska District Office. A BOS is a district office staff member who works directly with small businesses and is responsible for implementing the 8(a) program at the SBA district office level. The additional BOS's in Alaska will allow the SBA to be better equipped to help ANC's and others looking for federal contracting opportunities. I mentioned John Klein, a senior member of our Office of General Counsel. John has been to the Alaska District Office twice within the last year to assist in training the BOS's on the rules pertaining to ANC's.

Additional training has been a key initiative. We are empowering our field offices by giving them ongoing guidance on program changes, processes and policies. We believe that we have a tremendous model of excellence in the Alaska District Office headed by our District Director Nancy Porzio.

As noted, regulatory comments received during our tribal consultation have been important to our program assessment. We are in the process of drafting changes to the 8(a) regulations that are in direct response to that feedback. We are committed to our oversight responsibilities, and, where possible, we also seek to relieve unnecessary or excessive burdens on the small businesses we serve.

This effort is not limited to the 8(a) program, but extends to the HUBZone program as well. Through our consultations here in Anchorage, as well as those in Albuquerque and Oklahoma City, we are looking for ways to implement reforms that will make it easier for small business concerns to understand and comply with important program requirements.

As I conclude, I want to thank you for the opportunity to highlight our commitment to the 8(a) program. I appreciate the support I have received from the 8(a) community in Alaska, and will continue to work to further improve the program so participants can continue to help the government solve its challenges.

Thank you for the opportunity to discuss the 8(a) program today, and I look forward to your questions.