Testimony of

Mr. Hubert "Petey" Green

President, Prince George's Black Chamber of Commerce, Inc.

Hearing before the

Subcommittee on Government Management,
Organization and Procurement

On

Military Base Realignment: Contract Opportunities for Impacted Communities

February 8, 2008

2154 Rayburn House Office Building
Washington, DC 20515

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Good Morning Mr. Chairman and members of the committee. My name is Hubert "Petey" Green and I am President of the Prince George's Black Chamber of Commerce, Inc. with offices at 6009 Oxon Hill Road, Suite 208, Oxon Hill, Maryland 20745.

It is an honor and a privilege to appear before you today and share my views and those of the Prince George's Black Chamber of Commerce in the area of Contracting Opportunities for Impacted Communities as a result of Military Base Realignment and Closing (BRAC).

Incorporated in February 2001, the Prince George's Black Chamber of Commerce, Inc. (PGBCC) is a Maryland-based business association representing small, local and minority-owned businesses as an advocate and educator. The Prince George's Black Chamber, an affiliate of the National Black Chamber of Commerce (NBCC), is a 501 (c)(3) nonprofit, nonpartisan, nonsectarian organization dedicated to the empowerment of minority communities. We promote and enhance the visibility of our business community, address institutional barriers that impede business progress and provide support and resources that empower our members to grow their businesses and enrich their lives.

We are grateful for the daily sacrifices that small and minority-owned businesses and their families make in their efforts to achieve the American dream of entrepreneurship. Small, local and minority-owned businesses are vitally important and essential to the prosperity and economic strength of our great country. The drive of small business owners, their creativity and innovation are the hallmarks of entrepreneurship and the keys to job creation and economic growth. Small and minority-owned businesses represent more than 90 percent of all American employers. Small business owners are often found in unusual places. They frequently react to negative conditions by tightening the belt, hoping to ride out their storms. Even when it's raining gloom they fold up the umbrellas and see some sunshine.

Since the BRAC decision of November, 2005, the small business community has been in waiting, anticipating and preparing for an opportunity to participate in one of America's largest procurement opportunities ever. In the great State of Maryland, it is

being reported that as many as 60,000 new jobs and 28,000 new households will be created as a result of BRAC. This decision will generate the single largest job growth in Maryland since the end of World War II, making Maryland the largest beneficiary of employment growth of any state affected by the 2005 BRAC process.

Maryland is home to the Country's most diverse business community. Small and minority owned businesses employ nearly 50 percent of its workforce. More than 400,000 small businesses operate in the State, with 31 percent being majority-owned by women and 16 percent being majority owned by African Americans; both figures representing the largest percentage of women-owned and minority-owned businesses in the Country. We are proud of the numbers and the distinction they bring but we are not satisfied because there could and should be more.

Since the BRAC decisions of 2005, planning should have been underway to accommodate possible results. That has not been the case at the Federal or State levels. For whatever reasons, significant development contracting opportunities that BRAC brings, will not have government-mandated minority –business participation goals or requirements, possibly keeping those firms from getting a piece of billons of dollars in construction work and other contracting disciplines. Federal guidelines that govern a certain type of partnership between the military and private developers allow minority-business participation quotas to be omitted in the interest of expediting projects. This could mean that many small, minority-and-women owned businesses could be skipped over in favor of ones with more resources or experience. We believe that the governments desire to expedite projects associated with BRAC, will create hurdles and barriers that small and minority vendors must overcome. Institutional barriers such as security clearances will limit opportunities to larger firms with a history of doing businesses on the bases.

Inasmuch as BRAC is a federal mandate, the federal government must take the lead in addressing the immediate needs and requirements that arise from BRAC decisions. It must create án environment in which people are willing to take risks, to risk capital and personal property to achieve the American dream of success and prosperity. You accomplish this through a variety of financial, technical and procurement assistance programs as well as counseling and training partnerships. You focus on customer satisfaction by streamlining services to small businesses. The government must find a way to help the small, local and minority-owned businesses overcome the challenges and reap the rewards that BRAC presents.

There are a number of steps to take to remedy the situation. In order to achieve the goals, we must first level the playing field. Where disparities exist we must remove the barriers. Traditionally, financial barriers often impede the progress of small and minority-owned businesses. With BRAC, access to market is just as important as access to capital. Just as access to capital and market are important, it is also important that regulatory barriers be addressed. Tearing down regulatory barriers will aid immeasurably in your requirements to develop relationships and short and long-term communication plans that will expand the opportunities for small and minority-owned businesses. The

federal government has a unique responsibility to assure that minority, disadvantaged and women-owned businesses are an integral part of the communication process as it relates to the promotion of access to capital, small business assistance and minority certification procurement opportunities. Your commitment must be one that's shared by the State governments impacted by BRAC decisions. Your partnership efforts should be outreach and procurement fairs, recruitment, training programs, and formalized alliances with groups having connections with small, local, minority and women-owned businesses. One of the most important remedies to opening more doors is to create a reciprocity certification process for firms certified with the state's certifying authority and the federal SBA's certification. Multiple certifications can be extremely costly to small and minority business owners. As it stands today, federal and state agencies have their own certification requirements with little or no reciprocity between them. The SBA should open all doors to offer assistance to socially and economically disadvantaged firms which would allow more access to the economic mainstream of American society.

Given the multitude of opportunities that BRAC will present, if we are to insure full participation of small, local and minority-owned businesses in the process, every effort must be taken to unbundled contracts. Contract bundling occurs when requirements that previously were, or could have been performed by small business are combined into a single procurement, resulting in an acquisition that is unsuitable for award to small business. It may be unsuitable for award to a small business due to its dollar value, technical diversity, size or any combination thereof. We all know that DoD discourages the practice of bundling, but the practice still exist. The Defense department must take broad steps to eliminate this unfortunate practice.

In addition to the unbundling of contracts, every effort must be made to ensure prime contractors put forth their best efforts to achieve subcontracting goals. There are various techniques to encourage prime contractors to subcontract and team with small business entities, with the most preferred being contractual incentives. In short, providing maximum opportunity for small and minority-owned businesses has to be the primary consideration in any acquisition strategy that has been developed to fulfill BRAC requirements.

I would like to leave here today confident that you will take the necessary actions to enforce federal regulations that guarantee a good faith effort is put forth by governmental agencies to ensure small, local and minority-owned businesses have a fair and equitable chance at contracts and subcontracts that will emanate from BRAC decisions. Government must prove its commitment to small, local and minority-owned businesses by ensuring steps are taken to remove the disadvantages and increase the opportunities to access the market place.

Today I have shared with you the thoughts of the small, local and minority-owned businesses served by the Prince George's Black Chamber of Commerce. Mr. Chairman and members of the committee, I thank you for the opportunity to present my views and those of the Prince George's Black Chamber of Commerce. We stand ready to assist in

the effort to achieve parity and to serve in any way that we can to make a difference in the lives of small, local and minority-owned businesses.