

Testimony of Hubert "Petey" Green, President  
Prince George's Black Chamber of Commerce, Inc.

Before the Senate Committee on Small Business  
Bowie State University  
Bowie, Maryland  
October 29, 2007

Good afternoon Mr. Chairman and members of the committee. My name is Hubert "Petey" Green and I'm President of the Prince George's Black Chamber of Commerce.

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 federal contracting. I would like to thank Senator Cardin for bringing the government to the people of Prince George's County and to this fine institution of higher learning.

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. PGBCC, 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 businesses are essential to America's prosperity. Their drive, 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 storm. Even when it's raining gloom they fold up the umbrellas and see some sunshine. But the business world in which they are operating has changed dramatically and the pace of change has accelerated at an alarming rate during the past few years. Today these entrepreneurial businesses face major challenges.

The most significant challenge has been the globalization of business which has intensified the competitive pressures. We recognize that it is not the role of government to create wealth, but to create an 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 needs to increase the number of small businesses owned by minorities,

women, low and moderate-income people. The government must find a way to help these entrepreneurs overcome the challenges and reap the rewards of successful small business ownership.

There are a number of steps to take to remedy the situation. In order to achieve the mission, we must first level the playing field. Where disparities exist we must remove the barriers. While financial barriers often impede the progress of small and minority-owned businesses, access to market is just as important as access to capital. The second most important remedy is to create a single source certification that would open more doors of opportunities for the entrepreneur. As it stands today, federal and state agencies have their own certification requirements with little or no reciprocity between them. This practice limits the opportunity to only those Minority and Women Business Enterprises who possess the particular agency's certification. A single source certification would open the doors of opportunity to all. Multiple certifications can be extremely costly to small and minority business owners and they are often too pricey to obtain. Minority owned business enterprises have been around for many years, yet many still struggle because of the lack of capital and access to market.

Just as access to capital and market are important, it is also important that regulatory barriers be addressed. Small and minority-owned businesses need to be protected against the negative effects of burdensome federal agency regulations. Tearing down regulatory barriers to job creation and giving small and minority-owned business owners a voice in the complex and confusing federal regulatory process is key and essential to the overall success of the small and minority-owned business community.

Often hard to prove but seems to be running rampant throughout the small business community is the ugly head of discrimination. In order to level the playing field, there must be wholesale reform of minority business programs at the state and federal level. The State of Maryland recognized the fact that discriminatory practices existed throughout its agencies and took steps during its minority business reform to remove them by passing cutting edge legislation that should serve as a model for federal and state agencies throughout America. Key components of the legislation dealt with the relationships of prime contractors and subcontractors as it related to minority participation goals. A number of prime contractors with minority subcontracting goals didn't even bother to look for qualified MBEs to do the work, instead they automatically sought and received waivers that freed them from meeting their subcontracting goals. After a Commission's study was released, legislation was signed requiring prime contractors to name their MBE subcontractors at time of bid and use them if awarded the contract; Created a Small Business Reserve program which reserves 10% of contracting dollars in 22 state agencies exclusive for small businesses which created a pool of new prime contractors; Doubled the MBE personal net worth cap to \$1.5 million for state contracts; and established a commercial nondiscrimination policy. This kind of sweeping reform at the federal level would aid immeasurably in leveling the playing field and creating access to federal contracts for small and minority-owned businesses.

On September 27, 2007, Anthony Robinson, President, Minority Business Enterprise Legal Defense and Educational fund and someone I have a great deal of respect for his commitment to ensuring a level playing field for minority businesses, stated in his testimony before the U.S. House of Representatives Subcommittee on Government Management, Organization and Procurement of the Committee on Oversight and Government Reform and I quote “ The reasons minority owned firms are not fully participating in the market are many, not least of which is discrimination. The Kaufman study cited several reasons after concluding, “The gap that exists has not in any way been caused by a lack of effort on the part of minority entrepreneurs.” The first reason cited by the foundation was that “discriminatory conditions that previously existed were deep and pervasive and have not been fully reversed.” unquote.

That is a travesty. Government must prove its commitment to minority businesses by ensuring agencies such as the Small Business Administration work to remove the disadvantages and increase the opportunities to access the market place as well as empower the small business community through education and training.

I would like to leave here today confident that the Small Business Administration will enforce federal regulations that guarantee a good faith effort is put forth by governmental agencies to ensure minority-owned-businesses have a fair and equitable chance at contracts and subcontracts on government projects. Congressman Gwen Moore of Wisconsin said and I quote “that it was clear to her that one of the next frontiers in the fight for civil rights is economics, that America is a capitalist society and until minority businesses have the same access to federal contracts and subcontracts as other businesses, there is little hope for economic equality.” Unquote.

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.