

November 18, 2013

The Honorable Eni Faleomavaega
Member, U.S. House of Representatives
Washington, DC 20515

Dear Representative Faleomavaega:

Acting Administrator Hult has asked me to respond to your recent correspondence on behalf of minority-owned small businesses who have participated in the U.S. Small Business Administration's (SBA) 8(a) Business Development (BD) Program.

As you noted in your letter to Acting Administrator Hult, SBA, under the law and its 8(a) BD Program regulations, has the ability under limited circumstances to suspend an 8(a) BD Program participant's term of participation. Further, as you correctly noted, such suspensions can only be imposed in instances where there is a clear showing of a lack of program eligibility and/or business integrity. In those instances where the suspension is lifted, 8(a) BD regulations provide that the time associated with the suspension will be restored. In its deliberations regarding this matter, SBA considered all of the relevant statutory and regulatory provisions as a means to resolve this issue but could not conclude that the unintended consequences of the Federal government shutdown could be remedied under the current law or regulations. Therefore, we are unable to rely upon the law or regulations, given their intent, to extend a participant's Program participation term.

The SBA shares your views of the importance of the 8(a) BD Program to our nation's economy and the disadvantaged small business community.

We appreciate your continued support of SBA and America's small business community. A similar response is being sent to Representatives Bordallo, Cardenas, Cicilline, Van Hollen, Honda, Lee, Jackson Lee, Lowenthal, Meng, Payne, and Takano. If you and your staff have any questions, please contact the SBA Office Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John A. Shoraka
Associate Administrator
Office of Government Contracting
and Business Development