



News Release

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SBA's HUBZone Program Provides Economic Boost To Small Businesses Hurt by Base Closure and Realignment

WASHINGTON – Small businesses affected by the military's Base Realignment and Closure (BRAC) Commission, can receive an economic boost from the U.S. Small Business Administration's HUBZone program. The HUBZone, or Historically Underutilized Business Zone, program helps small businesses located in economically distressed areas compete for federal contracts.

"All military establishments affected by BRAC will now be designated as HUBZones to spur economic growth in economically depressed areas for small businesses and stimulate growth in the nation's economy," said SBA Administrator Hector V. Barreto. "The President signed into law a measure last December that designates all the bases already closed – and any closed resulting through a future BRAC action – as HUBZone locations. This means that small businesses willing to locate in these new HUBZone areas, and willing to employ local residents, can obtain special consideration for federal contracts."

Under the new law, SBA has designated all military establishments affected by BRAC as HUBZones, allowing small businesses located in these areas to possibly be certified as HUBZone companies and compete for federal contracts through set-asides, sole source contracting and price evaluation preferences reserved for HUBZone small businesses. The federal government has set a goal of awarding at least 3 percent of all federal prime contract dollars to HUBZone firms.

Firms interested in pursuing HUBZone status must apply for the certification, a process that can be accomplished online at www.sba.gov/hubzone. A mapping tool on this same site can be used to determine whether a specific address is located within one of these new HUBZone BRAC locations.

The SBA's 504 and 7(a) loan programs also can provide assistance to small businesses in these communities. For additional information on the 7(a) and 504 loans, visit SBA's Web site at www.sba.gov/financing/sbaloan/7a.html and www.sba.gov/financing/sbaloan/cdc504.html.

There have been four rounds of base closures in the past decade. The President has approved the list provided by Congress for the next round of recommended base closures.

The HUBZone program was created in 1997 as a result of legislation sponsored by Sen. Christopher Bond, and has more than 13,000 participants. In FY04, the federal government issued \$4.7 billion in federal contracts to HUBZone firms.

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