

November 19, 2013

The Honorable Brian Schatz
United States Senate
Washington, DC 20510

Dear Senator Schatz:

Acting Administrator Hult has asked me to respond to your correspondence on behalf of Native Hawaiian Organization (NHO)-owned firms, regarding the application process for the U.S. Small Business Administration's (SBA) 8(a) Business Development (BD) Program.

The Small Business Act (Public Law 85-536, as amended) authorizes the 8(a) BD Program to assist eligible small disadvantaged business concerns to compete in the American economy through business development. SBA's statutory and regulatory provisions recognize the uniqueness of participants that are owned by Native Hawaiian Organizations, Alaska Native Corporations, Native American Tribes, and Community Development Corporations.

In accordance with the 8(a) eligibility criteria, Title 13 of the Code of Federal Regulations (CFR) Part 124.101, the 8(a) BD Program application process generally takes 90 days from the date of acceptance of a complete application. When an application is received, it goes through a 15 day screening process to determine whether the application is complete and ready for processing. It is important to note that an incomplete application cannot be processed by SBA. If the application is incomplete, SBA advises the applicant of the discrepancies which may require the submission of additional information or a revised application. Once an application is considered to be sufficiently complete for processing, we begin the 90 day processing timeframe. However, in some instances, due to the complexities of an application, the 8(a) BD Program seeks an additional review from another SBA office.

While the application process remains the same for all 8(a) BD applicants, SBA also adheres to the special eligibility criteria of 13 CFR Part 124.110 when reviewing applications submitted by an NHO owned entity. While determining an NHO eligibility of economically disadvantaged, SBA considers the individual economic disadvantaged status of the members of the NHO. Under the current regulations, the majority of the Members of the NHO must meet the same initial eligibility economic disadvantage thresholds as other individually-owned 8(a) BD Program applicants.

According to a recent review of the Federal Procurement Data System, NHO owned participants have successfully participated in the Federal market place during the pas 2 years by receiving Federal 8(a) contract awards totaling approximately \$269,711,408.43 and \$370,327,582.83 for Fiscal Years 2011 and 2012, respectively.

The SBA continues to seek ways to enhance the effectiveness of our programs and to achieve efficiencies related to the associated administrative processes. Meanwhile, we are also committed to implementing measures to mitigate the potential for fraud, waste, and abuse. In this regard, we appreciate your comments and recommendations and be assured that they will be given strong consideration as we consider future program changes and enhancements.

We appreciate your continued support of SBA and the Hawaii small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

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