

Senate Small Business Committee Hearing: Reauthorizing SBA's Contracting Programs
Senator Mitt Romney Comments
June 12, 2019

Deadline for submission is **June 26 at 4:00 pm**. Please send your comments to Senate Clerk Kathryn Eden at Kathryn_Eden@sbc.senate.gov, with the subject line "Reauthorization of the SBA's Contracting Programs Hearing Comments for the Record."

Watch the hearing: <https://www.sbc.senate.gov/public/index.cfm/hearings?ID=C3A06CAC-0B40-41DB-A5F7-FE704D9D8259>

Senator Romney Comments

SBA Set-Asides

"I don't like the idea of set-asides generally, or requirements that the government purchases. Small businesses that have the best prospects come out with better products at lower costs. Requiring the government to acquire products based upon requirements other than quality, price, and efficiency of the product being sold is a mistake."

Evaluate net-worth requirements for SBA programs

"With regards to the program associated with a net worth limit, particularly with those programs helping disadvantaged women, the price has to be less than \$750,000. Given the fact that the median net worth in the country is \$97,000, it tells me that if you are an individual with a net worth of \$750,000 then you are probably in the top 1% of the country. So, this does not strike me as a program for underprivileged individuals. Should we not reconsider what net-worth is appropriate to justify investment in such a small enterprise?"

Comments from Robb Wong

Associate Administrator, Office of Government Contracting and Business Development
U.S. Small Business Administration

"\$750,000 is well above what I would consider a person that's disadvantaged and needs help. If the number were \$50,000 or \$100,000 then I might nod my head, but the median in the country is \$97,000. Why wouldn't a number like \$97,000 be the better number to use or half of that? To say that a person can have \$700,000 in personal net worth excluding their home, that's going to be a relatively small cohort of individuals who would have a net-worth at that level."

"I would suggest that you're not creating the jobs, that people who create those enterprises are creating the jobs. Their potential to find capital from other sources if they have a great business idea and a net worth of \$72,000 then they're going to be able to, being that business and create the jobs without the help of the government. So, having federal dollars, having federal taxpayers in America provide subsidy in effect to individuals who have a net-worth as much as \$750,000, excluding their home, is excessive and not really targeted to the people we are focused on helping which are people of a very modest or disadvantaged circumstances. I will stop there Mr. Chairman other than to say that I think with regards to each of these programs, we need to re-evaluate whether we're really helping people who could not get help from the private sector and whether we are wise to direct the government in its purchasing process to favor the purchase from an enterprise that is not as competitive as the alternatives."