

STATEMENT OF JON H. SEYMOUR,
ASSISTANT SECRETARY FOR ADMINISTRATION,
OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION,
BEFORE THE SUBCOMMITTEE ON SBA AND SBIC AUTHORITY
MINORITY ENTERPRISE AND GENERAL SMALL BUSINESS PROBLEMS
HOUSE COMMITTEE ON SMALL BUSINESS
NOVEMBER 20, 1985

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM JON SEYMOUR, ASSISTANT SECRETARY FOR ADMINISTRATION IN THE OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION. BOTH SECRETARY ELIZABETH DOLE AND DEPUTY SECRETARY JAMES BURNLEY SEND THEIR REGRETS THAT SCHEDULE CONFLICTS PROHIBIT THEIR APPEARANCE BEFORE THIS COMMITTEE.

THE DEPARTMENT OF TRANSPORTATION APPRECIATES THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS H.R. 2787, A BILL TO EXTEND THROUGH FISCAL YEAR 1988 SBA PILOT PROGRAMS UNDER SECTION 8 OF THE SMALL BUSINESS ACT.

ON OCTOBER 31, 1985, DOT'S WRITTEN COMMENTS ON H.R. 2787 WERE PROVIDED TO THE COMMITTEE. THIS MORNING I WOULD LIKE TO REITERATE THOSE COMMENTS AND FOCUS ON OUR EXPERIENCE UNDER THE REGULAR 8(a) PROGRAM AND THE PILOT PROGRAM.

THE DEPARTMENT HAS AN EXCELLENT RECORD OF AWARDS TO SMALL DISADVANTAGED BUSINESSES. THE DEPARTMENT'S DIRECT CONTRACTING

WITH MINORITY CONTRACTORS HAS INCREASED SINCE 1978 AS FOLLOWS:

FISCAL YEAR	TOTAL PROCUREMENT	TOTAL MINORITY*	8(a) PROCUREMENT	% 8(a)	TOTAL % MINORITY
1978	1,125	112.2	34.2	3%	10.0
1979	1,152	93.8	50.4	4%	6.2
1980	1,401	148.3	89.1	6%	10.6
1981	1,736	133.2	87.5	5%	7.7
1982	1,447	150.9	97.2	7%	10.4
1983	1,564	208.7	150.0	10%	13.4
1984	1,663	235.7	174.2	10%	14.2
1985	2,016	260.2	212.7	10.5%	12.9**

* INCLUDES DIRECT AWARDS TO MINORITIES OUTSIDE THE 8(a) PROGRAM, AND SUBCONTRACT AWARDS.

** PRELIMINARY

SOURCE: MINORITY BUSINESS DEVELOPMENT AGENCY, FY 1984 REPORT "FEDERAL AGENCY PERFORMANCE IN MINORITY BUSINESS DEVELOPMENT."

WE REQUIRE THAT EVERY PROPOSED PROCUREMENT ACTION BE SCREENED FOR POSSIBLE PLACEMENT IN THE 8(a) PROGRAM BEFORE IT IS CONSIDERED FOR A SMALL BUSINESS SET ASIDE OR UNRESTRICTED COMPETITIVE PROCUREMENT. WE RECOGNIZE THAT SMALL DISADVANTAGED BUSINESS ENTREPRENEURS HAVE TRADITIONALLY NOT BEEN AFFORDED EQUAL OPPORTUNITY TO DEVELOP AS OWNERS AND MANAGERS OF AMERICAN BUSINESS. THE SECRETARY AND DEPUTY SECRETARY ARE COMMITTED TO PROVIDING THESE COMPANIES A FAIR OPPORTUNITY TO PARTICIPATE IN THE DEPARTMENT'S PROCUREMENTS.

BASED ON OUR EXPERIENCE, WE BELIEVE THAT THE OBJECTIVES OF THE PILOT PROGRAM CAN BE AND ARE BEING ACHIEVED THROUGH THE REGULAR 8(a) PROGRAM.

WE HAVE ESTABLISHED A CLOSE COOPERATIVE WORKING RELATIONSHIP WITH SBA, AND HAVE WORKED CLOSELY WITH SBA AND THE 8(a) COMMUNITY TO IDENTIFY PILOT 8(a) CONTRACT OPPORTUNITIES. TO DATE, WE HAVE AWARDED TWELVE CONTRACTS UNDER THE PROGRAM, AND MAY AWARD AN ADDITIONAL TWO CONTRACTS OVER THE NEXT FEW YEARS. THE DETAILS OF THESE CONTRACTS ARE PROVIDED IN THE MONTHLY STATUS REPORT TO THE COMMITTEE. OVER THE NEXT FEW YEARS, WE WILL CONTINUE TO EXERCISE OPTIONS FOR ADDITIONAL WORK UNDER THOSE PILOT CONTRACTS.

MR. CHAIRMAN, THIS COMPLETES MY FORMAL STATEMENT. WE WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR MEMBERS OF THE SUBCOMMITTEE MAY HAVE.