



February 6, 2024

The Honorable Roger Williams
Chairman
House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

The Honorable Nydia Velazquez
Ranking Member
House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

RE: Airport Minority Advisory Council (AMAC) Comments for Full Committee Hearing titled “Under the Microscope: Reviewing the SBA’s Small Business Size Standards.”

Dear Chairman Williams and Ranking Member Velazquez:

The Airport Minority Advisory Council (AMAC) respectfully files comments to the US House Committee on Small Business Hearing titled “*Under the Microscope: Reviewing the SBA’s Small Business Size Standards.*”

AMAC is a national non-profit trade association dedicated to promoting and ensuring the full participation of ethnic minority-owned and women-owned disadvantaged business enterprises in contract and professional development opportunities throughout the aviation and airport industries. While AMAC is a national non-profit trade association, we have local presence with Chapters in Atlanta, Baltimore/Washington, Chicago, Denver, Detroit, Houston, Los Angeles and Portland. AMAC’s membership is diverse. Members include firms certified (per U.S. DOT regulations) as “disadvantaged business enterprises” (DBEs) and/or “airport concessions disadvantaged business enterprises” (ACDBEs), as well as firms of all sizes involved in airport contracting but which are not certified, airport executives and managers and airports.

When establishing or reviewing size standards, SBA generally evaluates five primary factors for each industry, namely: average firm size, start-up costs and entry barriers, industry competition, distribution of firms by size, and the impact current or revised size standards might have on small business participation in Federal contracting. This is critical economic impact and business engagement for DBE (Disadvantaged Business Enterprises) and ACDBE (Airport Concessionaire Disadvantaged Business Enterprises) doing business at the nation’s airports.

Since 1984, AMAC has been at the forefront of nearly every national policy initiative impacting the participation of disadvantaged businesses in airport contracting. In this regard, AMAC consistently engages and/or works with the U.S. Congress, federal executive branch departments and agencies, aviation and airport trade associations and with strategic partners as a resource for information, education, and guidance concerning diversity and inclusion in the airport industry. AMAC’s comments are the product of extensive outreach to its members.



Business size standards are the mechanism by which the statutory requirement that Program participants be “small businesses” is implemented.

1. DBEs (Disadvantaged Business Enterprises)

Under the current framework, firms are assigned a code(s) (a NAICS code) corresponding to the type(s) of work that it performs. DBE certification is limited to firms whose gross receipts are below the revenue amount for its NAICS code(s) based on a three-year rolling average. AMAC generally supports USDOT’s Proposed Rulemaking Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program Implementation Modifications - DOT-OST-2022-0051/RIN 2105-AE98 proposal to change the three-year average to a five-year rolling average.

2. ACDBEs (Airport Concessions Disadvantaged Business Enterprise)

Size standard applicable to ACDBE firms is not based on individual NAICS codes. Instead, to obtain and/or maintain certification, the gross receipts of the firm cannot exceed \$56.42 million measured over a three-year rolling average.

AMAC supports USDOT’s Proposed Rulemaking Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program Implementation Modifications - DOT-OST-2022-0051/RIN 2105-AE98 proposal to change the current three-year average to five years as well as its intention to adjust the ACDBE size standard on a more predictable basis. AMAC also understands USDOT’s proposal to clarify the allocation of gross receipts when a DBE or ACDBE is a party to a joint venture between two or more certified firms or between certified and non-certified firms. We concur with the guidance that parties in a joint venture must include in its gross receipts its respective proportionate share of the receipts generated by the venture.

AMAC encourages USDOT to focus on business competitiveness as it relates to program size standards. We encourage USDOT to consult with other federal agencies for the framework of their contracting and/or investment programs. Finally, we encourage USDOT to closely study the important ways airport contracting has changed and evolved; especially the significant increases in the cost of entry and of doing business as an airport contractor or concessionaire.

The SBA’s Revised Size Standards Methodology is a significant update that small and disadvantaged businesses must pay attention to. At AMAC, we understand that adapting to these changes is crucial for maintaining competitiveness and eligibility for federal programs and contracts. We request that the committee provides leadership to reflect the needs of the entire business community so all business can navigate changes for positive economic benefit for tax revenue, workforce and community development.



AMAC appreciates the legal/constitutional issues with respect to a race conscious federal contracting program. However, the arguments/issues that we raised have merit and they are validated by the “real world” experiences reported by AMAC members.

Sincerely,

Eboni Wimbush
President & CEO