



The Honorable Nick LaLota
Chairman, Subcommittee on Contracting and Infrastructure
S. House of Representatives
Washington, D.C. 20515

The Honorable Gil Cisneros
Ranking Member, Subcommittee on Contracting and Infrastructure
S. House of Representatives
Washington, D.C. 20515

July 8, 2025

Re: Statement for the Record – Hearing: “Leveling the Playing Field: The State of Small Business Contracting”

Greetings Subcommittee Members,

I am the President and CEO of W2 Consulting Corporation, a Service-Disabled Veteran-Owned Small Business, which provides services to the federal government. I am writing to address growing concerns among the small business federal contracting community regarding potential efforts to eliminate or modify the **Rule of Two**, a provision that has served as a foundational mechanism to ensure fair competition for small businesses in federal procurement.

The Rule of Two requires contracting officers to set aside opportunities for small businesses when there is a reasonable expectation that at least two responsible small businesses can perform the work at fair and reasonable pricing. This standard has been critical in maintaining the integrity and intent of the Small Business Act, and in supporting federal socioeconomic goals.

Key concerns regarding the removal or weakening of the Rule of Two include:

- **Reduced Competition and Market Entry:** The Rule of Two promotes broader market participation and prevents the over-consolidation of contracts among a limited pool of large vendors. Its removal would reduce market access and limit innovation from emerging firms.
- **Negative Economic Impact:** Small businesses represent nearly 44% of U.S. GDP and create two-thirds of new jobs. Restricting access to federal opportunities limits local economic development and job creation.

Preserving the Rule of Two is essential for maintaining competition, achieving federal procurement goals, and supporting economic development through small business growth. We strongly urge decision-makers to retain this rule and consider ways to strengthen its implementation and oversight.

Thank you for your attention to this issue.

Sincerely,



Dr. Kristin Washington