



**Greater Los Angeles  
African American  
Chamber of Commerce**

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September 4<sup>th</sup>, 2025

The Honorable Rick LaLota  
Chair, Subcommittee on Contracting and Infrastructure  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

**Re: Hearing on "Leveling the Playing Field: Fostering Opportunities for  
Small Business Contractors"**

Dear Chair LaLota, Ranking Member Cisneros, and Members of the Subcommittee:

On behalf of the Greater Los Angeles African American Chamber of Commerce, an affiliate of the U.S. Black Chambers, Inc. (USBC), I submit this letter to emphasize the importance of equitable access to federal contracting opportunities for Black-owned businesses and other small firms.

**About Our Chamber and Membership**

The Greater Los Angeles African American Chamber of Commerce (GLAAACC) represents over 400 Black-owned businesses across the Greater Los Angeles Region. Our members span industries including construction, information technology, professional services, manufacturing, and retail. Minority-owned small businesses are a pillar of the California economy. They account for roughly 46% of all businesses in the state, support 10.9% of all jobs in the state annually, and generate 3.5% of California's economic output. As of 2023, there are approximately 185,000 Black/African American-Owned Businesses in California that are contributing to economic activity and the community, playing a significant part in the health of our community.

As a proud affiliate of the USBC, our Chamber is part of a national network of more than 150 local Black chambers and business associations, collectively serving over **350,000 Black-owned businesses nationwide.**

**The State of Black-Owned Businesses**

While Black entrepreneurs continue to build and grow enterprises at one of the fastest rates in the country, barriers remain in accessing federal contracts:

- Black-owned businesses represent **3.1 million firms** across the United States but receive **less than 2% of federal contracting dollars each year.**
- The average Black-owned employer business generates **just over \$1 million in annual revenue**, compared to more than \$6 million for white-owned businesses.
- Black women are the **fastest-growing group of entrepreneurs in America**, yet they remain underrepresented in federal contracting pipelines.

These disparities highlight the persistent structural barriers facing Black business

5120 W. Goldleaf Circle, Suite 230 | Los Angeles, California 90056  
Phone: 323.292.1297 | Fax: 323.292.1451 | [info@glaaacc.org](mailto:info@glaaacc.org)

owners in the procurement marketplace.

### The Negative Impact of Contract Consolidation

On January 20, 2025, President Donald J. Trump signed an Executive Order directing the General Services Administration (GSA) to consolidate federal procurement of common goods and services. While the stated goals are to reduce waste, improve efficiency, and leverage government buying power, the effect on small and minority-owned businesses has been profoundly negative.

- Since January 2025, more than **6,000 federal contracts have been terminated or consolidated** into large-scale procurement vehicles controlled by GSA.
- Agencies have been instructed to designate GSA as the “executive agent” for government-wide acquisition contracts (GWACs) and other large procurement vehicles, shrinking the number of open, competitive opportunities available to small firms.
- While centralized purchasing may produce lower unit costs for items like software licenses, televisions, or office equipment, it **effectively eliminates entry points for small and emerging Black-owned businesses**, which are often best positioned to meet niche or localized needs.

The impact on our members has been immediate and harmful:

- Smaller contracts that once allowed Black-owned businesses to build past performance credentials are disappearing.
- Bundled contracts create scopes of work and financial thresholds that are unattainable for most small firms.
- The reliance on a handful of large prime contractors consolidates opportunity at the top, undermining the federal government’s statutory small business contracting goals.

In effect, this Executive Order prioritizes administrative convenience and projected taxpayer savings over equitable access and participation in the federal marketplace. **The result is fewer opportunities for Black-owned businesses, diminished competition, and a retreat from decades of progress toward supplier diversity.**

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### Why Contracting Equity Matters

For businesses in our region, federal contracting can be transformational. Winning a government contract can mean the difference between survival and growth, and often determines whether a small firm can scale, hire more employees, and reinvest in its community. Expanding access to these opportunities is not only fair but also economically beneficial for the nation as a whole.

## **Call to Action**

We respectfully urge the Subcommittee to:

1. Strengthen accountability for federal agencies to meet and exceed small and disadvantaged business contracting goals.
2. Expand technical assistance and capacity-building programs to help Black-owned businesses navigate federal procurement.
3. Ensure that contracting reforms and executive orders are implemented with transparency and input from organizations such as USBC and its affiliates.
4. Re-evaluate and mitigate the effects of recent contract consolidation policies, ensuring that cost-savings do not come at the expense of equity and opportunity.
5. Protect and expand programs like HUBZone and DBE that are essential pathways for Black-owned firms to participate in government contracting.

## **Conclusion**

The Greater Los Angeles African American Chamber of Commerce stands ready to work with Congress, federal agencies, and private partners to ensure that Black-owned businesses are fully included in federal contracting opportunities. We thank you for convening this important hearing and for your ongoing commitment to “leveling the playing field.”

Respectfully submitted,



**Gene Hale**

**GLAAACC Chairman**

**Affiliate of U.S. Black chambers, Inc.**

**O: 323.292.1297**