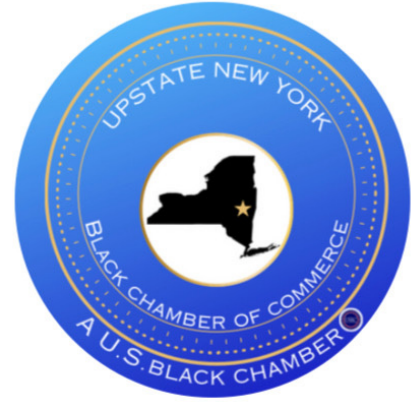


UpState New York Black Chamber of Commerce
150 State Street, 4th Floor
Albany, New York 12207

September 3rd, 2025

The Honorable Rep. Nick LaLota (R)
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 UpState New York Black 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 UpState New York Black Chamber of Commerce represents over 110 Black-owned businesses across the the Upstate New York Region, including the cities of Albany, Schenectady, Troy, Syracuse, Rochester, Buffalo, Hudson, Kingston, Newburgh, Poughkeepsie. Our members span industries including construction, information technology, professional services, manufacturing, and retail. In 2024, our members generated more than \$1.2 million in economic activity, supported over 75 local jobs, and contributed significantly to the tax base and economic 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 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.**

Case Example: Local Impact of Consolidation

In 2024, a [City/Region]-based Black-owned IT services firm with 25 employees held three small federal contracts providing cybersecurity support to regional offices of a federal agency. These contracts averaged \$750,000 each and were the firm's primary revenue source, supporting high-wage technical jobs in the community.

Following the January 2025 consolidation order, these contracts were rolled into a single government-wide acquisition contract managed by GSA, with a minimum threshold of \$50 million. The small firm, despite excellent past performance, was ineligible to bid. Within six months, the company laid off 12 employees, lost critical past performance history, and faces possible closure. Meanwhile, the consolidated work was awarded to a large, out-of-state prime contractor.

This example is representative of what many Black-owned small businesses in our Chamber are experiencing: fewer contract opportunities, diminished competitiveness, and real losses of jobs and capacity in our communities.

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

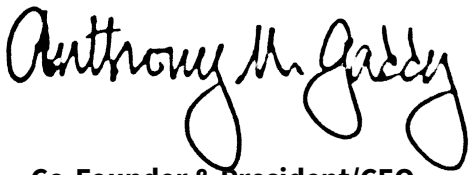
1. We respectfully urge the Subcommittee to:
Strengthen accountability for federal agencies to meet and exceed small and disadvantaged business contracting goals.
2. Expand technical assistance and capacity-building programs to help Black-owned businesses navigate federal procurement.
3. Ensure that contracting reforms and executive orders are implemented with transparency and input from organizations such as USBC and its affiliates.
4. Reevaluate 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 UpState New York Black 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,

Anthony M. Gaddy

A handwritten signature in black ink that reads "Anthony M. Gaddy". The signature is fluid and cursive, with the first name being the most prominent.

**Co-Founder & President/CEO
UpState New York Black Chamber of Commerce
Affiliate of U.S. Black Chambers, Inc.
(518) 520-4040**