



ADVANCING ECONOMIC EQUITY TOGETHER

April 27, 2023

The Honorable Congresswoman Nydia M. Velázquez
Ranking Member
House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515
c/o Melissa Jung
melissa.jung@mail.house.gov

Dear Congresswoman Velázquez,

For over 50 years, the National Minority Supplier Development Council (NMSDC) has advocated access to the American dream for minority business enterprises (MBEs). Our success is historic and unmatched. Over 15,000 MBEs have been connected to more than 1,700 corporations, resulting in \$400 billion in economic output annually sustaining 1.75 million jobs. We are the nation's largest, most impactful, and successful nonprofit advocacy organization for MBEs, proving growth for MBEs is growth for all.

We are writing to support the reintroduction of "The Solving the Unnecessary Contracting Cliff for Enterprises to Scale Successfully (SUCCESS) Act." The SUCCESS Act creates a pilot program to help small business federal contractors on the threshold of becoming "other-than-small" to transition into larger, more competitive companies. This includes businesses owned by individuals that have traditionally faced social and economic disadvantages, including people of color, women, and service-disabled veterans. If passed into law, the SUCCESS Act will help to close a significant gap that presently contributes to a declining federal small business industrial base.

As you are aware, small businesses, including many minority-owned small businesses, are supported in the federal marketplace through set-aside contracts, and large businesses have distinct advantages of capital and scale. But those in between seeking to grow from small to large face hostility under the current regulatory environment. Without proper support systems in place these businesses either do not survive or end up exiting the federal marketplace altogether. As a result, advanced small business contractors on the cusp of exceeding their size status have an important decision to make: (1) risk the valley of death (also known as the "contracting cliff") by competing as a mid-tier business against much larger firms, or (2) stay small, which can preclude newer small business entrants contributing to a declining federal industrial base. The SUCCESS Act is a creative, equitable way to remedy this conundrum.

We ask that you support the reintroduction of the SUCCESS Act which will allow those minority-owned businesses that NMSDC serves to grow beyond their small business status and open the door to new minority-owned businesses to enter the federal marketplace thus promoting new

small business entrants. Thank you for your continued support and advocacy for the nation's minority-owned businesses and we look forward to helping you achieve equity for all.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ying McGuire', with a stylized, flowing script.

Ying McGuire
CEO and President
National Minority Supplier Development Council