

**Opening Statement for Chairman Steve Chabot (R-OH)**  
*“Serving Small Businesses: Examining the Effectiveness of HUBZone Reforms*  
*September 13, 2017*

**AS PREPARED FOR DELIVERY**

Good morning, this hearing will come to order.

We are here today to talk about H.R. 3294, the “HUBZone Unification and Business Stability Act of 2017.” This bipartisan bill implements important reforms to the Small Business Administration’s Historically Underutilized Business Zones Program, more commonly known as the HUBZone Program.

The program’s core mission is to bring economic hope, independence, jobs, and businesses to depressed areas marked by high unemployment and poverty. This is accomplished through the use of federal contracting preferences. H.R. 3294 helps the program achieve its mission objectives by providing legislative solutions to the challenges and weaknesses identified by small businesses and government watchdogs.

Measures proposed in this bill would create more opportunities for our rural communities by potentially expanding the number of rural areas qualified for HUBZone area designation. Certified firms operating within economically distressed urban and rural communities would benefit from the consistency this bill would bring to the ever-changing HUBZone area designations.

These measures would encourage small businesses currently deterred by these issues to now seek their HUBZone certification, which would promote greater competition within the federal contracting landscape.

The bill would also create an extra layer of protection for areas devastated by natural disasters or catastrophic events by potentially prolonging the area’s HUBZone designation. This is intended to promote revitalization and economic growth within those unique areas.

This change is particularly relevant in light of what our neighbors in Texas, Louisiana, and Florida have faced following Hurricanes Harvey and Irma.



Additionally, the bill would strengthen performance assessment and fraud prevention measures recommended by the Government Accountability Office. This includes mandating the collection of critical performance measures and requiring the SBA to verify recertification information.

These are among a few of the provisions in the bill intended to benefit HUBZone small businesses and the communities in which they operate.

I have always said that this Committee is a rare place where bipartisanship is the norm and crafting good policy for the betterment of small businesses knows no party lines. This has truly been a bipartisan effort to begin fixing the core issues facing the HUBZone Program.

I'd like to especially thank Ranking Member Velázquez for leading this important piece of legislation and I hope this is a positive first step towards reforming the HUBZone Program. I look forward to hearing from our witnesses, all of whom are HUBZone small business owners themselves. We thank you for being with us today. I now yield to Ranking Member Velázquez for her opening statement.

