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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

February 8, 2002

The Honorable Hector Barreto
Administrator
U.S. Small Business Administration
409 3rd Street, S.W.
Washington, D.C. 20416

Dear Administrator Barreto:

I am writing to urge you to extend the comment period on the Small Business Administration's (SBA) proposed rule (67 Federal Register 3826, Small Business Size Regulations; Government Contracting Programs; HUBZone Program), which among other things, addresses parity between the 8(a) Business Development (BD) program and the HUBZone program by 60 days.

As you know, the 8(a) BD program is the SBA's premier contracting program for small disadvantaged businesses and has been serving the minority community for decades. The proposed rule makes changes to the 8(a) BD program that are highly complex and require careful consideration by the public, especially those who support the program and wish to see it continue to foster business development by socially and economically disadvantaged individuals.

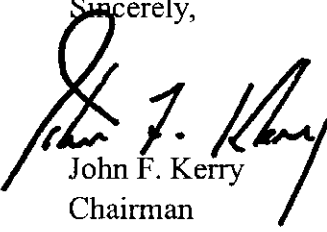
Additionally, the issues raised in the proposed regulation go far beyond SBA Procedural Notice 8000-553 and the changes to the HUBZone program set forth in H.R. 5667, the Small Business Reauthorization Act of 2000 (P.L. 106-554). For example, the SBA proposes to amend the definition of the term "employee" to allow persons employed on a full-time or part-time basis, as well as leased or temporary employees, to be considered employees of the concern. This issue was never addressed by the procedural notice, the Small Business Reauthorization Act of 2000, or in any communication received by my office from the SBA or any other interested party.

While loosening the definition of the term employee may make it easier to receive HUBZone status, it could also undermine the intent of the program to create jobs in HUBZones. The 30-day comment period set forth in the proposed rule is inadequate to allow the public to address this and similar issues in a thoughtful and comprehensive manner.

Page 2
The Honorable Hector Barreto
February 8, 2002

Therefore, I request that you extend the comment period for this proposed rule until Monday, April 29, 2002. Please feel free to contact me, or have your staff contact my staff at (202) 224-5175, should you have any questions or wish to discuss this letter.

Sincerely,



John F. Kerry
Chairman

cc: Michael McHale, Associate Administrator