

## NTIA Broadband Grants

### Participation by Socially and Economically Disadvantaged Small Businesses

Draft: March 9, 2009

Section 6001(h)(3) of the stimulus bill provides that:

“The Assistant Secretary, in awarding grants under this section, shall, to the extent practical ... consider whether the applicant is a socially and economically disadvantaged small business concern as defined under Section 8(a) of the Small Business Act (15 U.S.C. 637).”

- Our shorthand for such businesses is “SDBs”

In implementing this Congressional direction we urge NTIA to consider the following priorities:

#### 1. Affirm the Intent of Congress in Seeing SDB Success

- State NTIA’s emphasis on SDB as an important award criteria for grants
- State NTIA’s goal of seeing significant SDB grant success

#### 2. Avoid Market Entry Barriers in Regulations

- e.g., don’t penalize SDBs with requirements for large project experience, bonding, bundling, etc.
- Provides SDBs with necessary latitude to overcome market barriers

#### 3. NTIA Should Require SDB Self-Certification and Encourage Partnering

- Eligibility - the applicant must self certify affirmatively to the following statement in order to achieve SDB consideration by the NTIA:
  - “One or more socially and economically disadvantaged individuals or entities control at least 51% of applicant’s voting stock.”
  - This provides for compliance with the statutory directive and ensures simplicity in formation and administration of SDBs
- Partnering – NTIA should explicitly encourage SDB strategic partnering activities in order to strengthen applicant

#### 4. Other Program Elements

- Training – budget available to assist SDBs in this process?
- Data Collection and Tracking – to ensure that SDBs don’t “fall between the cracks”
- Accountability and Integrity – consistent with accountability and integrity required of all applicants as detailed by Congress in the stimulus bill
- Resuscitation of the Minority Telecommunications Development Program