



March 15, 2010

Hon. Mary Landrieu
Chairman, Senate Small Business Committee
428-A Russell Senate Building
Washington DC, 20510

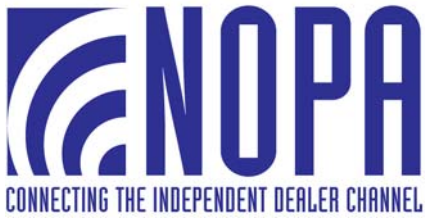
Dear Senator Landrieu:

Last week, the U.S. Court of Federal Claims ruled that agencies must consider whether companies in a Historically Underutilized Business (HUB) Zone can compete for a contract before awarding it under another small business program. On behalf of the National Office Products Alliance (NOPA) – which represents nearly 1,000 independent office products dealers nation-wide – I am deeply concerned with the effect that this ruling will have on the ability of the vast majority of small businesses to compete in the Federal Marketplace.

The rearrangement of the small business contracting hierarchy with this ruling has the potential of causing unfair competition in the federal market. While NOPA supports programs that aid disadvantaged businesses, this decision opens the door to the creation of an unfair marketplace where HUBZone businesses continually take priority over others in federal awards. This Court decision is especially disturbing in light of recent GAO reports highlighting serious misrepresentations of eligibility status and fraud within this category of small businesses.

The Small Business Administration and successive Administrations have consistently interpreted the Small Business Act to provide that federal contracting officers are to choose equally among all of SBA's procurement and business development programs without giving one preference over the others. The decision by the US Court of Federal Claims essentially reverses this long-standing SBA precedent and dismisses the opinions issued by both the Office of Management and Budget and the United States Justice Department. Both agencies have issued recent memorandums that clearly outline that the regulations promulgated by the Small Business Administration are intended to provide parity among the three small business groups.

NOPA supports the proposed FAR Rule that clarifies that no order of award preference exists among small business programs. We are hopeful that this proposal can become law shortly. As well, NOPA wholeheartedly supports your efforts to introduce legislation that would confirm that all small business preference programs are on equal footing. The Federal Government needs to have such flexibility to achieve budget goals and fulfill its responsibilities to all small businesses in an even-handed manner. NOPA shares your strong belief that there must be parity among all small business programs for set-aside contracts and other federal programs designed to advance the small business community.



I stand ready to answer any questions you may have on how this might affect the small businesses within the Office Products Industry. Our industry greatly appreciates your leadership and time and attention on this matter.

Respectfully,

Chris Bates
President