

“Member Day Hearing: Committee on Small Business”  
Testimony of Congressman Ed Case  
May 15, 2019

Chairwoman Velázquez, Ranking Member Chabot and members of the Small Business Committee,

Thank you for allowing me to share my thoughts with the Committee on issues important to our small business committee both nationally and in my home state of Hawai‘i. As you may remember from my prior service on this Committee, my focus is not only on keeping small business strong throughout our country, but on protecting and expanding Small Business Administration (SBA) programs that support some of our nation’s under-represented populations and on ensuring a level playing field between small businesses and large government contractors operating in Hawai‘i.

I want to begin by stressing that small businesses are key to the success of Hawaii’s economy. According to the SBA, 99% of businesses in Hawai‘i are small businesses, and a majority of employees in Hawai‘i are employed by small businesses. These small businesses are the engine of the economy in my home state, and thus as national small business goes so also does Hawaii business.

Given the rich ethnic diversity in Hawai‘i, minority-based programs are particularly important to Hawai‘i. Almost 93% of small businesses in Hawai‘i are minority-owned. They depend on and have received great benefit from programs such as the 8(a) Business Development program and the HUBZone program, which help provide a level playing field for small businesses owned by socially and economically disadvantaged people and historically underutilized business zones. Additionally, the Microloan Technical Assistance Program has been a great help in the development of Native Hawaiian businesses, and the Women-Owned Small Business Federal Contracting program provides federal opportunities to industries where women-owned small businesses are underrepresented. The continuation of these programs is needed to empower some of our nation’s under-represented populations that are the true drivers of Hawaii’s small businesses.

Furthermore, there are many great trade opportunities for Hawai‘i businesses given its place in the Indo-Pacific. Hawai‘i exported \$647 million in goods to 100 countries in 2018, with small businesses generating 64% of those total exports. The state’s largest market in 2018 was South Korea (\$222 million), followed by Singapore (\$106 million), Japan (\$72 million), China (\$36 million) and Taiwan (\$21 million). With the world’s fastest growing global markets in the Indo-Pacific, keeping trade open within this region crucial to Hawaii’s economy and our nation’s standing in the region. The State Trade and Export Promotion Grant Initiative and International Trade Loans have been vital components in developing Hawai‘i small businesses for trade with these foreign markets. I urge you to continue to support these programs.

Additionally, the Department of Defense is the largest source of federal dollars in Hawai‘i. It’s important to make sure that small, local businesses have a fair chance to compete for Defense dollars. This why I introduced the Small Business Federal Contractor Safeguard Act during my

prior service in Congress, which combated contracting bundling. I would appreciate working with your committee to continue the fight to help ensure huge corporations cannot not simply swoop in and win Defense contracts, even though Hawaii's small businesses are equally if not better qualified do the work.

Finally, I want to briefly highlight the importance of the SBA's Contracting Assistance Programs in Hawai'i. With 1 in 10 residents of Hawai'i being a veteran, the Service-Disabled Veteran-Owned Small Businesses program has assisted numerous veterans in the state transition from military service to successful business owners. It is critical for this Congress to continue our government's commitment to our veterans.

In closing, thank you for your leadership in helping our nation's small businesses and for your consideration of the needs of Hawaii's small businesses.