

November 20, 2013

The Honorable Angus King
United States Senate
Washington, DC 20510

Dear Senator King:

On behalf of the Association of Defense Communities Board of Directors, I want to express my deep appreciation for your leadership to support defense communities in Maine and across the country. As the leading organization serving communities with active, realigned or closed military installations, ADC represents more than 200 communities, states, regions and partners.

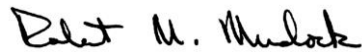
Communities impacted by the Base Realignment and Closure (BRAC) process continue to face severe, long-term economic distress, especially during times of national economic difficulty. To assist in these communities' recovery, Congress authorized additional support in the Small Business Reauthorization Act of 1997, declaring that military bases closed by BRAC are eligible for designation as Historically Underutilized Business Zones (HUBZones). As you know, the HUBZone program, administered by the Small Business Administration (SBA), allows small businesses in disadvantaged areas additional opportunities to compete for federal procurement. Sixteen years later, HUBZone designation remains an integral tool for attracting small businesses to these communities and is one of the few available federal tools supporting a community's economic transition.

While the intent of Congress was to provide the HUBZone designation to help closed military installations attract small businesses, one aspect of the HUBZone program actually works against these redevelopment areas. To maintain HUBZone status, 35 percent of a business' employees must also live in a HUBZone area. Because a military installation's HUBZone area encompasses only the base itself, many closed military installations do not have a substantial number of HUBZone-certified residential areas from which to draw a sufficient workforce for the businesses desiring to locate on those properties. It is often impossible, therefore, for a business looking to relocate to these communities to qualify for HUBZone status. Further, there are traditionally many hurdles facing local redevelopment authorities throughout the multiple-years process of assuming control of former federal property, and there is often little to no opportunity to recruit small businesses before the five-year HUBZone designation has expired.

ADC is honored to endorse Amendment 2248 to the FY 2014 National Defense Authorization Act (NDAA). The amendment that you and Sen. Collins have introduced allows small businesses in HUBZone areas to recruit personnel from a broader workforce and extends from five years to 10 years the period for which a BRAC-impacted community can be designated a HUBZone. If adopted, your amendment would be extremely helpful to communities across the country that have supported our nation's military missions but are now struggling to overcome distinct economic challenges. ADC is hopeful that your colleagues in the Senate will support this provision and its inclusion in the FY 2014 NDAA as that important legislation moves forward.

Thank you again for your leadership on this and other important issues. We look forward to working with you and your colleagues to further strengthen America's defense communities.

Respectfully,

A handwritten signature in black ink that reads "Robert M. Murdock". The signature is written in a cursive, slightly slanted style.

Robert M. Murdock
President, Association of Defense Communities

Similar letter sent to: The Honorable Susan Collins