

112TH CONGRESS  
1ST SESSION

# H. R. 1902

To establish in the Department of Commerce the Minority Business Development Program to provide qualified minority businesses with technical assistance and contracting opportunities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2011

Mr. RUSH (for himself, Mr. CLEAVER, Mr. CLAY, Ms. RICHARDSON, and Ms. CLARKE of New York) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish in the Department of Commerce the Minority Business Development Program to provide qualified minority businesses with technical assistance and contracting opportunities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Minority Business De-  
5 velopment Improvements Act of 2011”.

1 **SEC. 2. MINORITY BUSINESS DEVELOPMENT PROGRAM.**

2 The Director of the Minority Business Development  
3 Agency shall establish the Minority Business Development  
4 Program (hereinafter in this Act referred to as the “Pro-  
5 gram”) to assist qualified minority businesses. The Pro-  
6 gram shall provide to such businesses the following:

7 (1) Technical assistance.

8 (2) Contract procurement assistance.

9 **SEC. 3. QUALIFIED MINORITY BUSINESS.**

10 (a) CERTIFICATION.—For purposes of the Program,  
11 the Director may certify as a qualified minority business  
12 any entity that satisfies each of the following:

13 (1) Not less than 51 percent of the entity is di-  
14 rectly and unconditionally owned or controlled by  
15 historically disadvantaged individuals.

16 (2) Each officer or other individual who exer-  
17 cises control over the regular operations of the entity  
18 is a historically disadvantaged individual.

19 (3) The net worth of each principal of the enti-  
20 ty is not greater than \$2,000,000. (The equity of a  
21 disadvantaged owner in a primary personal residence  
22 shall be considered in this calculation.)

23 (4) The principal place of business of the entity  
24 is in the United States.

25 (5) Each principal of the entity maintains good  
26 character in the determination of the Director.

1           (6) The entity engages in competitive and bona  
2           fide commercial business operations in not less than  
3           one sector of industry that has a North American  
4           Industry Classification System code.

5           (7) The entity submits reports to the Director  
6           at such time, in such form, and containing such in-  
7           formation as the Director may require.

8           (8) Any additional requirements that the Direc-  
9           tor determines appropriate.

10          (b) **TERM OF CERTIFICATION.**—A certification under  
11 this section shall be for a term of 10 years and may not  
12 be renewed.

13 **SEC. 4. TECHNICAL ASSISTANCE.**

14          (a) **IN GENERAL.**—In carrying out the Program, the  
15 Director may provide to qualified minority businesses  
16 technical assistance with regard to the following:

17           (1) Writing business plans.

18           (2) Marketing.

19           (3) Management.

20           (4) Securing sufficient financing for business  
21           operations.

22          (b) **CONTRACT AUTHORITY.**—The Director may enter  
23 into agreements with persons to provide technical assist-  
24           ance under this section.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated \$200,000,000 to the Di-  
3 rector to carry out this section. Such sums shall remain  
4 available until expended.

5 **SEC. 5. SET-ASIDE CONTRACTING OPPORTUNITIES.**

6 (a) IN GENERAL.—The Director may enter into  
7 agreements with the United States Government and any  
8 department, agency, or officer thereof having procurement  
9 powers for purposes of providing for the fulfillment of pro-  
10 curement contracts and providing opportunities for quali-  
11 fied minority businesses with regard to such contracts.

12 (b) QUALIFICATIONS ON PARTICIPATION.—The Di-  
13 rector shall by rule establish requirements for participa-  
14 tion under this section by a qualified minority business  
15 in a contract.

16 (c) ANNUAL LIMIT ON NUMBER OF CONTRACTS PER  
17 QUALIFIED MINORITY BUSINESS.—A qualified minority  
18 business may not participate under this section in con-  
19 tracts in an amount that exceeds \$10,000,000 for goods  
20 and services each fiscal year.

21 (d) LIMITS ON CONTRACT AMOUNTS.—

22 (1) GOODS AND SERVICES.—Except as provided  
23 in paragraph (2), a contract for goods and services  
24 under this section may not exceed \$6,000,000.

1           (2) MANUFACTURING AND CONSTRUCTION.—A  
2           contract for manufacturing and construction services  
3           under this section may not exceed \$10,000,000.

4 **SEC. 6. TERMINATION FROM THE PROGRAM.**

5           The Director may terminate a qualified minority  
6           business from the Program for any violation of a require-  
7           ment of sections 3 through 6 of this Act by that qualified  
8           minority business, including the following:

9           (1) Conduct by a principal of the qualified mi-  
10          nority business that indicates a lack of business in-  
11          tegrity.

12          (2) Willful failure to comply with applicable  
13          labor standards and obligations.

14          (3) Consistent failure to tender adequate per-  
15          formance with regard to contracts under the Pro-  
16          gram.

17          (4) Failure to obtain and maintain relevant cer-  
18          tifications.

19          (5) Failure to pay outstanding obligations owed  
20          to the Federal Government.

21 **SEC. 7. REPORTS.**

22          (a) REPORT OF THE DIRECTOR.—Not later than Oc-  
23          tober 1, 2013, and annually thereafter, the Director shall  
24          submit to the Committee on Energy and Commerce of the  
25          House of Representatives and the Committee on Com-

1 merce, Science, and Transportation of the Senate a report  
2 describing the activities of the Director during the pre-  
3 ceding year with respect to the Program.

4 (b) REPORT OF THE SECRETARY OF COMMERCE.—  
5 Not later than October 1, 2013, and annually thereafter,  
6 the Secretary of Commerce shall submit to the Committee  
7 on Energy and Commerce of the House of Representatives  
8 and the Committee on Commerce, Science, and Transpor-  
9 tation of the Senate a report describing the activities the  
10 Secretary engaged in during the preceding year to build  
11 wealth among historically disadvantaged individuals, and  
12 evaluating whether such activities have been successful at  
13 creating jobs in the United States and recommending  
14 whether or not they should be continued.

15 **SEC. 8. DEFINITIONS.**

16 In this Act:

17 (1) The term “historically disadvantaged indi-  
18 vidual” means any individual who is a member of a  
19 group that is designated as eligible to receive assist-  
20 ance under section 1400.1 of title 15 of the Code of  
21 Federal Regulations, as in effect on January 1,  
22 2009.

23 (2) The term “principal” means any person  
24 that the Director determines to exercise significant

- 1 control over the regular operations of a business en-
- 2 tity.

