



January 21, 2026

The Honorable Steven Snow

Regional Administrator
U.S. Small Business Administration

Re: Territorial Considerations Regarding SBA's 8(a) Business Development Program

Dear Administrator Snow,

I write to you in my capacity as a Senator and the Chairman of the Committee on Federal Affairs of the 38th Guam Legislature to share concerns and observations regarding recent discussions and actions related to the Small Business Administration's 8(a) Business Development Program, particularly as they may affect small businesses operating in U.S. territories such as Guam.

Guam's economy is uniquely structured. Federal spending, especially in defense, infrastructure, and professional services, plays an outsized role in sustaining local employment and business activity. Unlike larger stateside markets, Guam has a limited number of locally based firms, constrained access to capital and bonding, higher operating and logistics costs, and geographic isolation that materially affects competitiveness. Programs such as the 8(a) Business Development Program have historically served as critical tools to ensure that locally owned, legitimately operating small businesses can meaningfully participate in federally funded work taking place on the island.

I fully support efforts to strengthen oversight, accountability, and program integrity. Any instances of fraud, abuse, or pass-through arrangements undermine the statutory purpose of small federal business programs and should be addressed decisively. At the same time, I respectfully urge the SBA to consider the potential unintended consequences that broad reforms, heightened scrutiny, or reduced use of sole-source and set-aside authorities may have on territorial economies. In markets like Guam, these tools are often the difference between local participation and the complete displacement of work to off-island firms.

It is important to note that many Guam-based 8(a) participants self-perform their work, employ island residents, contribute to the local tax base, and help build long-term business capacity within the territory. Reforms that do not adequately account for the structural realities of U.S. territories risk disproportionately impacting compliant and productive firms that the program was designed to support. Many federal policies, while effective in stateside markets, do not translate seamlessly to territorial economies and can result in unintended consequences if applied without adjustment.

Accordingly, I respectfully request that, as the SBA evaluates program changes or enforcement actions, it gives due consideration to territorial conditions and continues to engage with territorial stakeholders, including continued consultation with territorial governments and regional

stakeholders prior to the implementation of any material changes. Preserving pathways for legitimate Guam businesses to compete for and perform federal work is essential not only for economic development, but also for sustaining a resilient local workforce capable of supporting federal missions in the Pacific.

Thank you for your attention to this matter and for your continued service. I would welcome further dialogue and stand ready to assist in providing territorial perspective as these issues are examined.

Respectfully,



Jesse A. Lujan
Senator, 38th Guam Legislature
Chairperson, Committee on Transportation, Tourism,
Border Security (Customs), Utilities,
and Federal and Foreign Affairs

Cc: Honorable Angel Demapan, Deputy Assistant Secretary for Insular and International Affairs, U.S. Department of the Interior