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U.S. Department of Treasury
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Thank you for the opportunity to comment on considerations for the State Small Business Credit Initiative (SSBCI) Technical Assistance Funds. The National Cooperative Business Association CLUSA International (NCBA CLUSA) represents cooperative businesses across all sectors of the U.S. economy. Cooperatives are private businesses that are owned, controlled, and governed based on one-member, one vote. One in three Americans is a member-owner of at least one cooperative business; there are about 65,000 cooperative establishments in the U.S. People establish cooperatives to: help smaller players gain parity with larger companies, increase consumer choice, and/or address market failure. The vast majority of cooperative businesses are small or very small businesses. For example, the average worker cooperative has 11 member-owners. Moreover, approximately 60 percent of worker cooperatives are owned by Black or Latinx entrepreneurs.

Cooperatives set themselves apart from other small businesses with greater adaptability and resilience derived from the member-owner governance, in which the best interests of the business, workers, and community are taken into consideration to ensure the long-term wellbeing of the cooperative. Throughout our nation's history, cooperatives have been the preferred strategy during and in the immediate aftermath of economic downturns as we saw during the pandemic. Today's economy also features a dynamic in which tens of thousands of business owners are approaching retirement. For many of these businesses, the most viable buyer is a cooperative formed by employees or consumers. This type of sale not only ensures the preservation of access to goods and services, but also creates ownership opportunities and enables more people to earn the profits they create. Many business owners, however, lack access to knowledge about the mechanisms and tools available to engage in this transition, and the SSBCI Technical Assistance program is uniquely positioned to bridge this gap.

To help the most people capture the economic opportunity created by cooperative businesses, it is imperative that any SSBCI Technical Assistance Program includes cooperative business development and financing.

This program should make clear that any technical assistance opportunity is applicable to cooperative business development, including feasibility studies, business planning, governance and training, and other activities needed to startup, convert or grow a cooperative business. Opportunities to provide education and outreach to prevent the closure of existing businesses, particularly in rural and socially and economically disadvantaged communities, should also be considered as an eligible use of technical assistance funds.

In exploring mechanisms for the deployment of technical assistance funds, organizations with a demonstrated history in providing educational resources and outreach campaigns should be considered in ensuring these funds are dispersed efficiently and effectively within the targeted communities. By partnering with external entities that have existing relationships with small and very small businesses like cooperatives, Treasury would be able to leverage the organization's existing infrastructure to build capacity for and provide economic assistance to numerous local businesses who may not have the resources to independently access these funds.

Additionally, institutions such as Cooperative Development Centers provide critical services and technical assistance - including accounting, financial and legal support - to existing cooperatives, owners interested in converting their business to a cooperative model, and emerging cooperatives, many of which are SEDI-owned business. Regardless of how these funds are deployed, technical assistance for cooperative business development and financing should be included.

SSBCI's Technical Assistance Program is poised to support countless small businesses across the country as they recover from the economic impacts of the pandemic while navigating an anticipated economic downturn. These programs can support entrepreneurs looking to launch a new business, and it is essential that this program equitably supports cooperative businesses alongside other types of small businesses to build a resilient, sustainable economy powered by local ownership and control.

In cooperation,



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