



NEWS RELEASE

PRESS OFFICE

Release Date: August 23, 2000
Release Number: 00-78

Contact: Carol Chastang (202) 205-6987
Internet Address: www.sba.gov/news/indexheadline.html

SBA URGES OUTREACH TO SUPPORT SOUTHERN CALIFORNIA SMALL BUSINESSES IN THE WAKE OF RISING ELECTRICITY COSTS

WASHINGTON – The U.S. Small Business Administration (SBA) is urging its lending partners in Southern California to use SBA credit programs to help small businesses in San Diego and Orange counties hurt by rising electricity costs, SBA Administrator Aida Alvarez announced today.

“We understand the frustration of small business owners who are struggling to cover the increased cost of trying to run a business in the face of skyrocketing electricity bills,” said Administrator Alvarez. She added that SBA’s existing mix of loan products under its general business loan guaranty program, particularly the 7(a) program, **“is flexible enough to provide financing to offset the effects of increasing electricity costs. We have the tools to meet the need, and we will make sure these companies quickly find out what we can do to help them meet their financing needs.”**

Administrator Alvarez is asking the field offices in San Diego County and in the southern part of Orange County to conduct an aggressive outreach campaign to make sure lenders, other SBA partners and businesses in the affected area become aware of the assistance available from SBA.

A combination of varied factors—electricity deregulation in California, a recent heat wave, and the state’s shortage of power-generating plants and long distance transmission lines—has contributed to an increase in the demand for electricity. The typical electricity bill in the San Diego and Orange County areas has doubled in the past month.

“This can be a win-win situation for our lending partners who want to assist their small business customers in Southern California,” Administrator Alvarez said. **“Electricity costs are consuming small business profits. The SBA can provide the loan guaranties to help business owners cover the costs of running a successful business.”**

Additional information about SBA programs and services is available at SBA’s Web site:
<http://www.sba.gov>. Or call the SBA Answer Desk at 1-800-U-ASK-SBA.

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