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## United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

EMILIA DISANTO, STAFF DIRECTOR  
PATRICIA R. FORBES, DEMOCRATIC STAFF DIRECTOR AND COUNSEL

October 13, 2000

BY FACSIMILE (202/512-5507)  
ORIGINAL BY U.S. MAIL

The Honorable David Walker  
Comptroller General  
U. S. General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Walker:

As the Federal government embraces electronic commerce more widely, the Senate Committee on Small Business continues to hear concerns regarding the difficulties small businesses are facing in navigating the Federal procurement system. In particular, the Committee is interested in exploring the issues surrounding agency e-commerce outreach and small business e-procurement. It has also come to our attention that various agencies, including the Defense Logistics Agency and the Department of Commerce, have e-business education-outreach programs targeted to small business and that these programs function independently of one another.

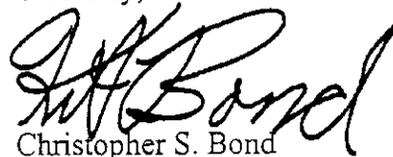
Understanding that other Federal agencies have e-commerce business-education programs, the Committee would like the General Accounting Office (GAO) to determine the extent of e-business outreach programs sponsored by Federal agencies, how these efforts are coordinated with one another, and how well such programs are accomplishing their intended objectives.

The Committee has also heard concerns that the government's acquisition process is not "small business friendly" when it comes to e-procurement. In particular, we have received anecdotal reports that e-procurement initiatives have, in practice, provided a means for contracting officers to circumvent the small-business-vendor-diversity programs that normally apply to procurement. Thus, e-procurement may provide a faster means for contracting officers to award contracts to large firms with whom they already have established relationships. This would tend to reduce competition by effectively excluding new small-business participants and could result in higher costs to the taxpayers. Accordingly, the Committee would appreciate your help in determining the steps already taken by Federal agencies to foster small business participation in e-procurement and the obstacles that remain.

The Honorable David Walker  
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Thank you for your assistance in this matter. As your efforts on this request proceed, please keep the Committee advised of your progress on a regular basis. If you have any questions or need additional information, please do not hesitate to call me or have your staff contact Paul Conlon or Cordell Smith, on the Committee staff at 202/224-5175

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bond", written in a cursive style.

Christopher S. Bond  
Chairman

cc: Lawrence J. Dyckman