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United States Senate

COMMITTEE ON SMALL BUSINESS
WASHINGTON, DC 20510-6350

October 27, 2000

SENT VIA FACSIMILE: (202)

Aida Alvarez
Administrator
U.S. Small Business Administration
409 Third Street, SW
Washington, DC 20416

Dear Administrator Alvarez:

The purpose of this letter is to express my alarm over the potential politicization of the Small Business Administration (SBA) in the days leading up to the national elections on November 7, 2000. Employees at SBA have brought to my attention SBA plans for a major public relations campaign across the country in the first days of November.

The Administration's use of SBA personnel, offices, programs and private-sector partners to influence public perception of the Administration only days before the election raises the specter of a pernicious manipulation of the federal government for political means. Most alarming is the directive from SBA headquarters to make as many government guaranteed loans as possible during the week before election day. Putting taxpayer money at risk for pre-election campaigning is totally unacceptable.

The "SBA Day Plan" received by my office details SBA plans to:

- Close or get commitments for as many new SBA guaranteed loans as possible during the week of October 30 - November 3, 2000
- Release media announcements by all SBA offices on the success of these efforts
- Encourage [local lenders] to make joint media announcements with SBA
- Coordinate advertising [with local lenders] regarding SBA Day at their local offices/branches
- Place at least one person [from SBA District Offices, Small Business Development Centers, Women Business Centers, Service Corps of Retired Executives Chapters or U.S. Export Assistance Centers] in lender offices/branches throughout the country during the week of October 30 - November 3, 2000, and
- Make every effort to target lender offices/branches in key communities (i.e. Hispanic, African-American, Asian, Native American, Export, Women)

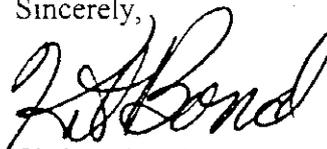
The work of the Small Business Administration is vital to fostering small business across the country. I share your commitment to bringing these benefits to historically underutilized areas, which is why I sponsored and Congress overwhelmingly passed the HUBZone program.

Hon. Aida Alvarez

Page 2

Therefore, I am sure you will agree that SBA should reschedule its SBA Day Plan from the beginning of November to the beginning to December. This would avoid any taint of political manipulation. If you have any questions regarding this issue, please contact Paul Cooksey at 224-5175. Thank you in advance for your attention to this matter.

Sincerely,



Christopher S. Bond
Chairman

Attachment

cc: Small Business Development Centers
Service Corps of Retired Executives Chapters
Women Business Centers
U.S. Export Assistance Centers

DRAFT

SBA Day Plan

GOAL:

1. Raise public awareness of SBA programs and services and the impact these have on local communities.
2. Tout SBA accomplishments and announce SBA loan numbers for fiscal year 2000.
3. Kick off the new fiscal SBA year (2001) positively and collaboratively.
4. Close or get commitments for as many new SBA guaranteed loans as possible during the week of October 30 – November 3, 2000.

Concept:

Week of October 30 – November 3, 2000

SBA District Offices, with the collaboration of SCORE Chapters, district SBDCs, USEACs, and WBCs, will place at least one person in lender offices and branches throughout the country during the week of October 30 – November 3, 2000. In particular, SBA district offices will make every effort to target lender offices/branches in key communities. (i.e. Hispanic, African-American, Asian, Native American, Export, Women)

Local lenders will be encouraged to make joint media announcements with SBA and coordinate advertising regarding SBA Day at their local offices/branches.

Tuesday, October 31, 2000

Media Announcement by all SBA offices of year-end accomplishments/loan numbers. A follow-up news release will be made the following week regarding the success of SBA Day.

SBA central office will announce national accomplishments and year-end numbers for FY2000 and will make mention of the hundreds of events going on all over the country kicking off SBA's new fiscal year.

SBA regional and district offices will incorporate regional and local accomplishments and year-end numbers for FY2000 into the central office national announcement and will publicize their local SBA Day events taking place at lender locations throughout their region/district.