

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

June 12, 2009

Mr. Gene L. Dodaro
Acting Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

In 2005, Hurricanes Katrina, Rita, and Wilma caused extensive damage to the Gulf Coast. The region's small businesses experienced massive losses that caused great harm to those businesses' owners, employees, and customers. Federal assistance to small businesses has been and continues to be imperative for the region's economic recovery. As we approach the five-year anniversary of the 2005 hurricanes, we request a Government Accountability Office (GAO) study of Federal assistance to help Gulf Coast small businesses recover. In particular, when conducting your analysis please focus on assistance from small business disaster loans provided by the Small Business Administration (SBA), Community Development Block Grant (CDBG) funds provided by the Department of Housing and Urban Development (HUD) through State-administered business assistance programs, and Federal contract funds received by small businesses in the Gulf Coast region. We would also like you to provide information on the current state, and improvements in, the region's small business economy. Because this request is being made more than a year before the five-year anniversary of the 2005 hurricanes, we are hopeful to have a final report no later than August 29, 2010.

In the final evaluation of SBA Disaster Loan program activity, please include analysis of the various categories of disaster loans disbursed to the region's small businesses, the share of these loan amounts that have been repaid, and other measures of loan performance such as default rates. We would also appreciate an analysis of HUD and CDBG funds used by State-administered business assistance programs in the region, as well as a description of the mechanisms used by the State-administered business assistance programs and any indicators that might be present to measure the success of such initiatives. If possible, please also document the latest figures on duplication of benefit reductions between SBA disaster loan proceeds and CDBG-funded State business recovery grants. Finally, in relation to Federal contract funds obtained by the region's small businesses, we would like you to update your March 2007 report, *Hurricane Katrina: Agency Contracting Data Should Be More Complete Regarding Subcontracting Opportunities for Small Businesses*.

Thank you for your attention to this critical matter. If you have further questions please do not hesitate to contact Brian van Hook in the Office of Senator Mary L. Landrieu at (202) 224-5175 or Jacob Triolo in the Office of Senator Olympia J. Snowe at (202) 224-7884.

Sincerely,


MARY L. LANDRIEU
Chair


OLYMPIA J. SNOWE
Ranking Member