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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

November 28, 2001

The Honorable Donald Evans
Secretary of Commerce
Department of Commerce
14th & Constitution Room 5421
Washington, D.C. 20230

RE: Office of Small and Disadvantaged Business Utilization

Dear Mr. Secretary:

We are writing to express our concern over reports that some Federal agencies are failing to comply with Section 15(k) of the Small Business Act.

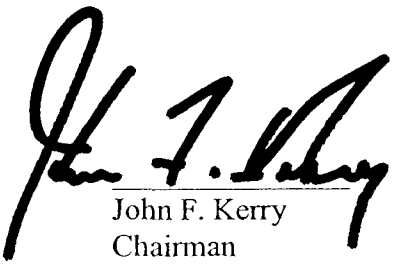
Section 15(k) requires the creation of an Office of Small and Disadvantaged Business Utilization (OSDBU) at each Federal agency. This law further mandates that the head of each agency appoint a Director of Small and Disadvantaged Business Utilization who shall be "responsible only to, and report directly to, the head of such agency or to the deputy of such head," with an exception for the Department of Defense (15 USC 644(k)(3)).

The legislation creating the OSDBU at each agency stated this quite clearly to ensure that small business concerns were addressed at the highest levels. Because taking the time and effort to ensure small business participation is always challenging for overworked contracting officers, an OSDBU provides crucial technical support. Contracting officers must know that the OSDBU has the support of, and direct access to, the agency head. Experience has taught that maintaining this relationship is often a deciding factor in the success or failure of an agency's small business program.

Information received by the U.S. Senate Committee on Small Business and Entrepreneurship has led us to believe that some Federal agencies may not be in compliance with 15 USC 644(k)(3) because they have placed the Director in a position where he or she does not report directly to the head or deputy head of the agency. Additionally, some agencies have sought to provide bifurcated reporting relationships, such as requiring OSDBUs to report to a lower level agency person for budgetary or administrative matters, an arrangement not authorized by the Small Business Act. Therefore, we request that you supply the Committee with an explanation of where in your agency the OSDBU Director's position has been placed and to whom the Director reports on a daily basis. If the OSDBU Director reports to more than one person for different purposes (such as budgetary or administrative matters), please specify each person and the purpose of that reporting relationship. Because of the urgent nature of this request, we expect to receive your written response no later than December 17, 2001.

Thank you for your attention to this matter. Please feel free to contact John DaSilva with Chairman Kerry or Cordell Smith with Ranking Member Bond at (202) 224- should you have any questions. We look forward to your response.

Sincerely,



John F. Kerry
Chairman

Kit Bond
Ranking Member