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United States Senate

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

February 8, 2002

The Honorable Paul O'Neill
The Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue NW, # 3330
Washington, DC 20220

Dear Mr. Secretary:

Thank you for your timely December 14, 2001, response to our Committee's request for information regarding the placement of the Office of Small and Disadvantaged Business Utilization (OSDBU) within the Treasury Department organization. We appreciate your clarification that the Assistant Secretary for Management (ASM) is the Director of OSDBU and "actively manages the program." However, we are concerned that, notwithstanding the formal designation of the ASM as Director of OSDBU, the ASM does not actually carry out the duties listed under Small Business Act section 15(k) on a day-to-day basis. Rather, it appears to us that the Director's functions are more routinely carried out by the Director of the Office of Small Business Development (OSBD), who currently reports to the ASM.

We are greatly concerned about this, because we believe the statutory arrangement is intended to provide the Secretary and Deputy Secretary with specific information on the Department's small business program, from the person who tracks these activities on a regular basis. Creating an intermediate filter between the Department's highest levels and the day-to-day administrator of the small business program will tend to defeat the statutory intent. If in fact this is not the case at the Treasury Department, we would appreciate additional information to clarify this further. In particular, we seek to understand better the ASM's day-to-day activities in carrying out the statutory, regulatory, and generally expected duties required of an OSDBU Director, to help us understand and evaluate this situation. Your answers to the following questions would be helpful to that end.

1) How regularly does the ASM, in person, meet with the Small Business Administration's procurement center representative? How regularly does the Director of the OSBD meet with the Small Business Administration's procurement center representative?

2) How regularly does the ASM, in person, meet with the Small Business Administration in an effort to cooperate and consult with them in carrying out the Treasury Department's functions and duties in sections 8, 15, and 31 of the Small Business Act? How regularly does the Director of the OSBD meet with the Small Business Administration in an effort to cooperate and consult with them in carrying out the Treasury Department's functions and duties in sections 8, 15, and 31 of the Small Business Act?

3) Who is responsible for assuring that small businesses receive the maximum practicable contracting opportunities from the Department of the Treasury? Specifically, whose job performance is evaluated by the Treasury Department's activities regarding small business participation and to what extent does meeting those requirements factor into the evaluation? Please provide us with copies of the job descriptions for the ASM and the Director of the OSBD.

4) In particular, who negotiates with the Small Business Administration in setting the Treasury Department's goals for participation in contracting by various types of small business concerns, as specified in section 15(g)(2) of the Small Business Act?

5) Who regularly attends the monthly meetings of the Federal OSDBU Directors Interagency Council (OSDBU Council) on behalf of the Treasury Department? Under what circumstances, if any, would the ASM attend those meetings in person? To help us understand the role of the ASM in representing the Treasury Department's small business program, we ask you to inform us about the last time the ASM attended the OSDBU Council meeting and the motivating purpose behind that attendance (e.g., to make a presentation or to receive training in recent legislative changes).

7) What percentage of the ASM's time is spent on matters pertaining to small business activities? What percentage of time is the OSBD Director's time is spent on matters pertaining to small business activities?

Thank you in advance for your cooperation on this important issue. If you have questions about this matter, please feel free to contact us, or have your staff contact John DaSilva with Chairman Kerry or Cordell Smith with Ranking Member Bond at (202) 224- . We would appreciate your answers to the above questions no later than March 15, 2002.

Sincerely,

John F. Kerry
Chairman

Christopher S. Bond
Ranking Member