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United States Senate

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

October 14, 2003

BY FACSIMILE
ORIGINAL BY U.S. MAIL

The Honorable John W. Snow
Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

Dear Mr. Secretary:

At our request, the U.S. General Accounting Office prepared a study of Federal agency compliance with Section 15(k)(3) of the Small Business Act, which requires the Director of an Office of Small and Disadvantaged Business Utilization (OSDBU) to be responsible only to, and report directly to, the head or deputy head, of the agency. The compliance review of twenty-four Federal agencies found that the Department of the Treasury is not in compliance with the law.

As you know, OSDBUs are central to the contracting goals established by the Small Business Act, which directs that small businesses receive a fair proportion of Federal procurement through vigorous action on the part of agencies. For the past two years, however, the Federal government has failed to meet the 23 percent small business procurement goal, and has repeatedly failed in the areas of women-owned, service-disabled veteran-owned, 8(a) and HUBZone small businesses goals.

Immediate access to the agency head or second in command is critical to an OSDBU's ability to advocate effectively for small and disadvantaged business participation in Federal contracting. Any effort to reduce the stature and standing of the OSDBU would be contrary to congressional intent and detrimental to the small-business community.

We are greatly concerned to learn that your Department is not in compliance with Section 15(k)(3). Accordingly, we would appreciate hearing from you by Friday, October 31, 2003, on the steps you are taking to bring your agency into compliance.

If you have any questions, please do not hesitate to call either of us or have your staff contact Nancyellen Gentile with Senator Snowe or Marc Comer with Senator Kerry at (202) 224-5175.

Sincerely,

Olympia J. Snowe
Chair

John F. Kerry
Ranking Member