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United States Senate

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

May 24, 2006

The Honorable Thad Cochran
Chairman
Senate Appropriations Committee
Washington, DC 20510

The Honorable Robert C. Byrd
Ranking Member
Senate Appropriations Committee
Washington, DC 20510

Dear Thad and Robert:

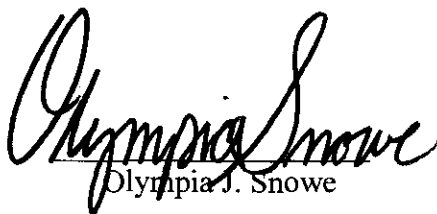
As you are aware, the SBA's disaster loan program has made more than \$9 billion in disaster loans available to victims of the 2005 Gulf Coast hurricanes. On two previous occasions, it was necessary for Congress to intervene and provide emergency funding so that victims could continue to access home and business loans through this program. As of today, the program is once again in danger of running out of money, and will do so if funds are not appropriated soon.

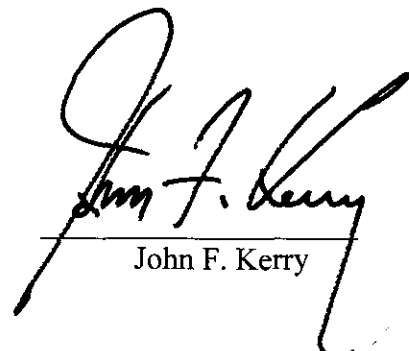
Recent flooding in New England has demonstrated the continuing need for sufficient disaster loan funding. In addition, this week the National Oceanic and Atmospheric Administration (NOAA) predicted that the 2006 hurricane season will produce above-average storm activity. NOAA predicted a total of between thirteen and sixteen named storms, of which four to six may become major hurricanes of category 3 strength or higher.

In light of this prediction, we are writing to urge you to maintain, in the supplemental appropriations bill, a funding level of \$1.254 billion for the Small Business Administration's disaster loan program. While we understand the pressure to identify savings within the bill, the program should have sufficient funding to last the remainder of the fiscal year and accommodate additional disasters.

Given the volatile nature of natural disasters, the crucial role that the program fills in the lives of disaster victims, and NOAA's prediction of above-average storm activity for the 2006 hurricane season, we think it would be prudent to maintain the level of funding previously deemed necessary to cover expected obligations. While NOAA can make predictions of how many storms will form, we do not know where these storms will land or with what level of force. We urge you to maintain the program's funding level at \$1.254 billion as contained in both the House and Senate bills and requested by the Administration.

Sincerely,


Olympia J. Snowe


John F. Kerry