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United States Senate

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

January 9, 2004

VIA FACSIMILE & FIRST-CLASS MAIL

The Honorable Donald H. Rumsfeld
The Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

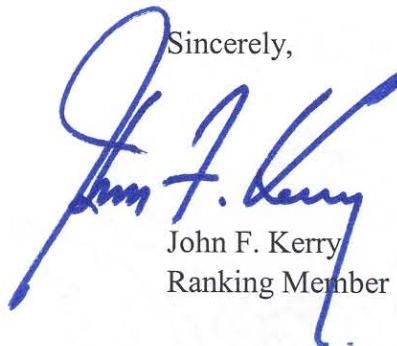
RE: Department of Defense's Small Business Innovation Research Program

Dear Mr. Secretary:

I write regarding the Small Business Innovation Research (SBIR) program of the Missile Defense Agency (MDA). It has come to the Committee's attention that there may be a problem with the FY2003 SBIR funding for the MDA. My staff reviewed the MDA's 1020 budget statement and it shows that of the almost \$140 million available for SBIR awards, the significant amount of \$93 million had not yet been obligated as of September 30, 2003. Would you please have your staff look into this and let the Committee know, in writing, by close of business on Friday, January 24, 2004, where the MDA stands in disbursing the remaining FY2003 SBIR awards. If all the money is not yet obligated, please explain how and by when the Department of Defense intends to comply with the statutory requirement to reserve 2.5 percent of its entire extramural research and development budget for SBIR projects.

Please direct any questions to Ms. Kevin Wheeler at 202-224-3722, and have the reply faxed to her attention at 202-228-1814. Thank you once again for working with us on this important small business issue. I wish you and your family good health and happiness in the new year.

Sincerely,



John F. Kerry
Ranking Member

cc: Dr. Dov S. Zakheim, Comptroller
Mr. Michael L. Wynne
Acting Under Secretary of Defense for Acquisition, Technology and Logistics