



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

NOV 22 2005

The Honorable John F. Kerry  
Ranking Member  
Committee on Small Business & Entrepreneurship  
United States Senate  
Washington, D.C. 20510

Dear Senator Kerry:

Thank you for your letter, dated October 19, 2005, regarding two important issues for the New Markets Venture Capital (NMVC) program and the U.S. Small Business Administration (SBA).

SBA has worked over the past year with industry representatives and representatives of the six NMVC Companies (NMVCCs) participating in the program regarding the possibilities of utilizing the remaining debenture authority and grant funds for the NMVC program. While SBA agrees that the funds may be used to supplement the existing capability of the NMVCCs, the most appropriate mechanism to do so has not yet been determined. SBA continues to work both internally and with program participants in making this determination.

With respect to staffing in the NMVC program, we are also addressing the proper allocation of resources within the Investment Division, given our responsibility for both the NMVC and Small Business Investment Company (SBIC) programs. Over the past year, the Investment Division has worked to realign staff responsibilities in an effort to better utilize existing resources, streamline operations and provide proper oversight for the 418 SBICs and 6 NMVCCs under the oversight of the Investment Division. As part of this effort and in light of normal attrition within the Office of New Markets Venture Capital, staff members within the Office of SBIC Operations are being cross-trained on the NMVC program to ensure adequate redundancy and provide ample support to meet the needs of the 6 NMVCCs currently assigned to the Office of New Markets Venture Capital.

Again, thank you for your interest in the NMVC program. I assure you the SBA remains committed to fully meeting our oversight responsibilities for Investment Division programs and deploying our resources in a manner that best fulfills our mission and best serves the taxpayer.

If you have additional questions, please contact C. Edward "Tee" Rowe in the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

Jaime A. Guzmán-Fournier  
Associate Administrator  
for Investment