OFFICE OF THE ADMINISTRATOR

FEB 2 8 2006

The Honorable Mary L. Landrieu
United States Senate
SH-702 Hart Senate Office Building
Washington, D.C. 20510-1804

Dear Senator Landrieu,

Thank you for your February 8, 2006 letter regarding the pre-solicitation notice the U. S. Small Business Administration (SBA) posted on Fed Biz Ops for possible contracting of Loss Verification services for the Agency's Office of Disaster Assistance. Fortunately, the speed and efficiency of the SBA disaster loss verification unit has made the contract unnecessary. Therefore, we do not plan to put this contract out to bid at this time.

I continue to ensure this Agency looks at all ideas that can help provide more efficient and cost-effective services to those affected by the natural disasters that hit the Gulf Coast last summer. As the President mentioned when he was in New Orleans, he is looking for the SBA to find ways that the private sector could become more involved in our disaster loan program. That is why I am proud to announce the Agency's *Disaster Loan Partners Initiative*, which is designed to increase the role of private sector institutions in the SBA's hurricane recovery efforts throughout the Gulf Coast region.

As you are aware, the SBA has made great strides with our disaster loan program. To date, we have approved over 70,000 loans amounting totaling more than $5.2 billion dollars. Specifically, we have finished processing all of the Economic Injury Disaster Loan (EIDL) applications and we have processed over 90 percent of the applications for physical business disaster loans.

Our work is not finished. I am committed to SBA's continuous improvements and efficiency of our disaster response, while appropriately managing the funds Congress has made available.

Thank you again for your letter. For more information, please contact my Associate Administrator for Congressional and Legislative Affairs C. E. "Tee" Rowe at (202) 205-6703.

Sincerely,

Hector V. Barreto
Administrator