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

MAR 10 2006

The Honorable John F. Kerry
Ranking Member
Committee on Small Business and Entrepreneurship
428-A Russell Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Kerry:

Administrator Barreto has asked me to personally respond to your letter regarding the daily accounting of the US Small Business Administration's (SBA) disaster loan funding.

SBA's Office of Disaster Assistance and our Chief Financial Officer have developed the report you requested regarding daily disaster loan activity and a daily accounting of SBA's subsidy budget authority on hand along with several other items of interest to the Committee. There are some difficulties in developing the daily report regarding the administrative costs of the disaster loan program. These difficulties will be explained in detail by the Office of our Chief Financial Officer. In essence, they revolve around the fact that many of our administrative costs (rent, travel, payroll) are not accounted for, nor expended, on a daily basis. For example, our disaster payroll is bi-weekly and, consequently, a daily report would not be reflective of actual costs.

Regarding your request for notification and provision to the Committee of all future reprogramming and supplemental requests regarding the SBA, allow me to personally assure you that the Committee will be provided with all such requests. As the Associate Administrator for Congressional and Legislative Affairs I am personally responsible for providing the Committee with that information. I regret any lapses in the provision of that information, particularly in respect to the recent reprogramming and supplemental.

Sincerely,

C. Edward Rowe III
Associate Administrator
Congressional and Legislative Affairs