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

January 27, 2006

The Honorable Michael O. Leavitt
U.S. Department of Health & Human Services
200 Independence Avenue, SW
Room 615F
Washington, D.C. 20201

Dear Secretary Leavitt:

I am writing to learn what measures the Department of Health & Human Services is taking to fully utilize the procurement program for small businesses owned and controlled by service-disabled veterans.

As you know, Section 308 of the Veterans Benefits Act of 2003 (P.L. 108-183) amends the Small Business Act (15 U.S.C. 659) to allow contracts to be sole-sourced to service-disabled veteran-owned businesses and creates a limited competition program for these firms.

There is a government-wide goal to allocate a minimum of three percent of total contract dollars to companies owned and controlled by service-disabled veterans. In 2004, the Federal government awarded 0.38 percent of Federal contract dollars to these firms and the Department of Health & Human Services awarded 0.50 percent of its contracts to these firms. It has now been two years since this program became law on December 16, 2003. As Ranking Member of the Committee on Small Business and Entrepreneurship, I request that answers to the following questions be reported to the Committee by February 15, 2006:

Has the Department of Health & Human Services set aside any contracts for service-disabled veteran-owned small business owners and limited competition for these businesses since the passage of this legislation? Has the Department of Health & Human Services utilized the sole-source tool that was made available by P.L. 108-183, and if so, how often?

What strategies are being implemented to inform agency contractors about the opportunities available to them through this program? What steps has the agency taken to actively seek out eligible businesses and inform them of the contracting opportunities at the Department of Health & Human Services under the Veterans Benefits Act?

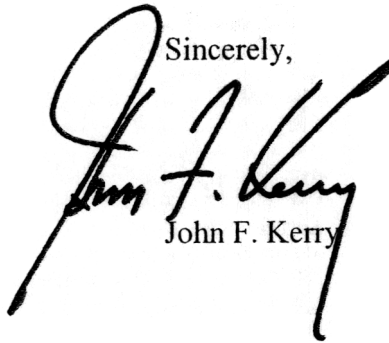
Is there a process for service-disabled veteran-owned small businesses to proactively contact contracting officers or the Office of Small and Disadvantaged

Business Utilization to learn about contracts for which they are eligible under this program?

What training programs has the Department of Health & Human Services implemented to ensure that the Agency's procurement staff is fully aware of the various tools available to them to assist in the utilization of service-disabled veteran-owned businesses?

The Veterans Benefits Act provides a critical competitive tool for service-disabled veteran-owned small businesses and it is imperative the Department of Health & Human Services has taken appropriate steps to ensure that this program has been fully implemented, as required by law. If you have any questions or concerns regarding this request, please feel free to contact me or have a member of your staff contact my Small Business Committee staff at (202) 224-8496.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. Kerry". The signature is fluid and cursive, with a large initial "J" and "K".

John F. Kerry

cc: Ms. Jennifer B. Young
Assistant Secretary for Legislation