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United States Senate

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

May 15, 2006

The Honorable David M. Walker Comptroller General U.S. Government Accountability Office 441 G Street, N.W. Washington, D.C. 20548

Dear Mr. Walker:

I am writing to request that Government Accountability Office (GAO) review the extent to which federal agencies have met the requirements under Executive Order (E.O.) 13170 to ensure that minority firms participate in federal advertising contracts.

On October 6, 2000, President Clinton signed Executive Order 13170, which directed federal agencies to create greater opportunities for small disadvantaged small business owners to participate in federal procurement. The E.O. covers information technology contracts and GSA schedules, and also directs the agencies to increase the share of federal advertising dollars that are awarded to small disadvantaged businesses (SDBs) and Minority Business Enterprises (MBEs). Section 4 of the E.O. states,

Each department or agency that contracts with businesses to develop advertising for the department or agency or to broadcast Federal advertising shall take an aggressive role in ensuring substantial minority-owned entities' participation, including 8(a), SDB, and MBE, in Federal advertising-related procurements. Each department and agency shall ensure that all creation, placement, and transmission of Federal advertising is fully reflective of the Nation's diversity. To achieve this diversity, special attention shall be given to ensure placement in publications and television and radio stations that reach specific ethnic and racial audiences.

I am requesting that the GAO review the participation of 8(a), SDB, and MBE certified small businesses in federal advertising-related procurements. I would like the GAO to review the following:

- Which federal agencies have developed strategies to comply with E.O. 13170?
- How many of those strategies were compliant with all the provisions included in E.O. 13170 and where were the shortfalls in each agency's strategy?
- What is the total amount of federal dollars (civilian and military) that was spent on advertising in each year from 2001 through 2005?
- Of these annual amounts, how many contracts were awarded to, what is the total dollar amount of the contracts, and what percentage of total dollars are represented by 8(a), SDB, and MBE small businesses?

If you have any questions or need additional information, please have your staff contact Nigel Stephens on my staff on the Senate Committee on Small Business and Entrepreneurship at (202) 224-2809.

Sincerely,