

Congress of the United States
Washington, DC 20515

July 20, 2006

VIA FACSIMILE AND FIRST-CLASS MAIL

The Honorable Steven C. Preston
Administrator
U.S. Small Business Administration
409 Third Street, SW
Washington, DC 20416

Dear Administrator Preston:

On October 6, 2000, President Clinton signed Executive Order (E.O.) 13170 to ensure that minority and disadvantaged small businesses have an opportunity to participate in the Federal contracting process. The order emphasizes the importance of a government-wide effort to reach out to minority and underserved small businesses such as 8(a) firms, Small Disadvantaged Businesses, and Minority Business Enterprises.

As stated in Section 2 of the Small Business Act (15 U.S.C. 631), “the Government should aid, counsel, assist, and protect...the interests of small-business concerns in order to...insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government...be placed with small-business enterprises...” In this, the SBA is charged with the task of serving as the preeminent watchdog for small business contracting across the Federal government. Thus, SBA’s oversight responsibilities include enforcing Section 4 of E.O. 13170, which states that:

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.

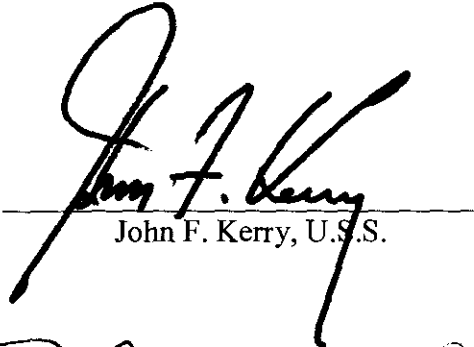
Given the Federal advertising requirements set forth in this section of E.O. 13170, we would like you to address the following:

- Since the order’s enactment in 2000, what has the SBA done to fully implement E.O. 13170?
- How has the SBA taken an “aggressive role” as Section 4 of the order states, to conduct outreach into underserved communities to increase Federal advertising contracts?

- One of the SBA's responsibilities in effectively carrying out this order is to conduct annual assessments detailing each agency's efforts and results in complying with E.O. 13170. Please provide copies of each assessment you have prepared to date, as well as that of the SBA's strategy for implementing Section 4 of the order.
- Annually since 2000, what is the total amount of dollars the SBA has spent on advertising? Of this, how many advertising contracts did the SBA award to 8(a), Small Disadvantaged Business, and Minority Business Enterprises?
- What challenges, if any, has the SBA faced in fully implementing E.O. 13170, specifically with regard to Federal advertising procurement?

If you have any questions or need additional clarification, please have your staff contact one of our offices.

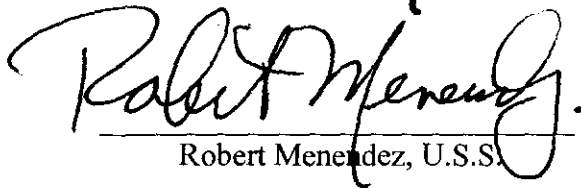
Sincerely,



John F. Kerry, U.S.S.



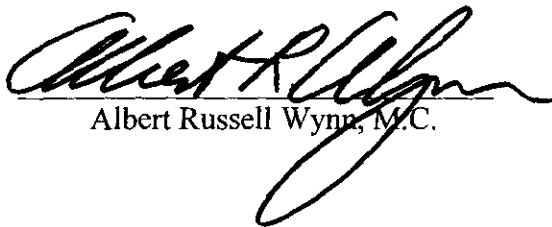
Harry Reid, U.S.S.



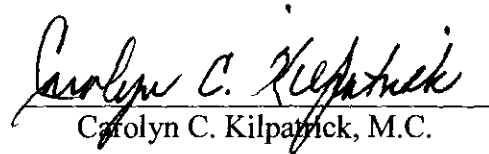
Robert Menendez, U.S.S.



Nydia M. Velázquez, M.C.



Albert Russell Wynn, M.C.



Carolyn C. Kilpatrick, M.C.



Michael M. Honda, M.C.