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United States Senate

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

March 1, 2007

Sent via facsimile and standard mail

Mr. Robert M. Gates
Secretary of Defense
United States Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Ms. Lurita Alexis Doan
Administrator
U.S. General Services Administration
1800 F Street, NW
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Mr. Michael Chertoff
Secretary of Homeland Security
United States Department of Homeland Security
Department of Homeland Security
Washington, DC 20528

LTG Carl A. Strock, PE, USA
Chief of Engineers/Commanding General
U.S. Army Corps of Engineers
441 G Street, NW, Room 3K05
Washington, DC 20314

Dear Sirs and Madam:

On March 1, 2007, the General Accountability Office issued the GAO-07-205 report entitled: Hurricane Katrina - Agency Contracting Data Should Be More complete regarding Subcontracting Opportunities for Small Businesses. I requested this study for the purpose of determining whether subcontracting opportunities were readily available to small businesses during the initial phases of Gulf Coast reconstruction efforts.

As you may know, the GAO found that information on your respective agency's subcontracting efforts was lacking. The report stated that "[r]equired information on small business subcontracting is not consistently available. . . for the four agencies. The system had no information on whether DHS or GSA required subcontracting plans for 70 percent or more of the contracting funds." The report goes on to state that "Incomplete information about subcontracting limits determining the extent to which agencies . . . gave small businesses maximum opportunities to win subcontracts."

As Chairman of the Senate Committee on Small Business & Entrepreneurship, I take my oversight role seriously. Obviously, it's very difficult to complete my oversight responsibilities in determining whether small businesses are receiving meaningful disaster-related subcontracting opportunities where data is incomplete. To rectify this information gap the GAO has made two recommendations: 1) issue guidance to key personnel reinforcing the importance of subcontracting plan requirements, and 2) consider requesting that (your) Inspector General review compliance with this guidance.

Your letters commenting on the findings of this report suggest that you are generally in agreement with these recommendations. However, it is important that the guidance reinforcing

the importance of subcontracting plans come from a senior-level member of your staff, preferably yourselves, and that you ensure that reviews regarding adherence to that guidance be made by the independent IG and not by staff members within the agency.

While I am committed to expanding opportunities to small businesses who were affected by Hurricanes Katrina, Rita and Wilma, I also want to make sure that the victims of any future disasters have an easier time rebuilding their communities. Making sure that contracting and subcontracting opportunities are available to small businesses affected by disaster will go a long way towards reaching that goal.

Thank you in advance for your cooperation on this important issue. If you have questions about this matter, please feel free to contact me, or have your staff contact Gregory Willis at (202) 224-5175.

Sincerely,



John F. Kerry
Chairman