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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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April 1, 2013

The Honorable Chuck Hagel
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301

Dear Mr. Secretary:

Congress has now passed a continuing resolution stipulating that federal agencies operate under reduced spending at the sequestration levels created under the Budget Control Act of 2011. As Chair of the Senate Committee on Small Business & Entrepreneurship, I have concerns about how the implementation of these reductions will affect our small businesses and federal agencies. As you are aware, each federal agency has a small business contracting goal. As committee Chair, I request that you share your progress toward meeting this goal in 2013.

As we face the challenges of budget reductions, we should ensure that small businesses do not bear a disproportionate share of the burden. Please describe for committee review the effects of sequestration on your agency's small business contracting activities relative to the overall cuts in contracts awarded by your agency. Specifically, please identify the areas that are experiencing the most reductions and the level of small business participation in those areas prior to sequestration. Also, please detail what mechanisms are in place to monitor such impacts, and the actions being taken to mitigate the impact of these cuts.

I am interested in knowing to what extent both large prime contractors and small business contractors are being impacted. I would also like to know what guidance has been given to help them minimize impacts to their small business suppliers. Please submit this information by April 22, 2013.

Small businesses are critical to the growth and recovery of our economy, thus we must be able to quantify the problem if we are to attempt to craft a solution. These businesses are capable of providing the same, and in many case, superior products and services as large companies. They should be given the same opportunities to do business with the federal government.

I thank you in advance for your attention to this matter. Should you have any questions or concerns, please do not hesitate to contact the committee's Majority Staff Director, Jane Campbell, at jane_campbell@sbc.senate.gov or at (202) 224-0095.

Sincerely,



Mary L. Landrieu

cc:

Joshua Pollack, White House Liaison

Ed Pagano, White House Liaison

Senator Harry Reid, Majority Leader

Senator Barbara Mikulski, Chair of the Senate Committee on Appropriations