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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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June 30, 2011

The Honorable Marie C. Johns
Deputy Administrator
U.S. Small Business Administration
409 Third Street, SW
Washington, D.C. 20416

Dear Deputy Administrator Johns:

At our June 16, 2011 Committee hearing, the Government Accountability Office (GAO) noted that on April 22, 2010 the U.S. Small Business Administration (SBA) and U.S. Department of Agriculture (USDA) signed a Memorandum of Understanding (MOU) to better coordinate programs to assist small businesses in underserved rural areas. This MOU set a goal to increase the number of small business loans guaranteed by SBA and USDA, as well as to expand technical assistance efforts in these areas. Another area covered by the MOU relates to semiannual meetings between SBA District Directors (or designees) and their Rural Development counterpart. Arkansas, Louisiana, North Carolina, and Washington are part of the seventeen (17) states covered by this MOU.

While GAO noted that this is a step in the right direction towards improving coordination, it also testified about concerns on a general lack of action on this MOU. Similarly, we believe the MOU alone is not a success story unless there are activities in the field offices. In light of our recent Committee hearing and the President's announcement of a White House Rural Council, we write to get further information on specific activities resulting from the SBA-USDA MOU.

In particular, we respectfully request that the SBA respond to the following questions on the SBA-USDA MOU:

- What collaborative activities has SBA taken since entering into the MOU with USDA in April 2010? Please detail each action, the specific goal of each action, and locations of these collaborative activities.
- Have surveys of your district offices been conducted to determine the extent to which the collaboration is occurring with USDA across the country?
- Does SBA have offices co-located with USDA Rural Development offices? If so, where?

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- Has the SBA partnered with any regional/state/local organizations under the auspices of the MOU?
- What mechanisms do you currently have in place or plan to have in place to track the progress of these collaborative efforts?
- Do you face any statutory limitations affecting your ability to collaborate? If so, what are they and what legislative actions could be taken to alleviate the limitations?

In closing, we thank you for your consideration of these suggestions to enhance SBA's programs in the rural parts of our states and across the country.

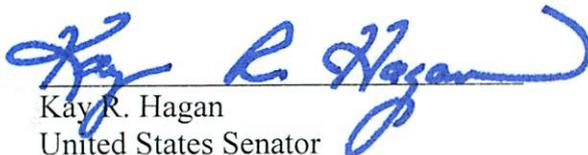
Sincerely,



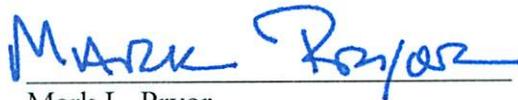
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United States Senator



Maria Cantwell
United States Senator



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