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June 29, 2011

The Honorable Karen Mills
Administrator
Small Business Administration
409 3rd Street Southwest
Washington, D.C. 20024

Dear Administrator Mills:

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, I write to follow up on my oversight hearing on June 16, 2011. The SBA is one of 25 Executive Branch agencies, offices, and departments listed as a member of the White House Rural Council in Executive Order 13575. President Obama signed this order on June 9, 2011 to establish the White House Rural Council. This is an interagency coordination council designed to provide policy recommendations to promote economic prosperity and quality of life in rural America. The U.S. Department of Agriculture (USDA) Secretary Tom Vilsack will head the Rural Council and lead its efforts to coordinate among agencies and increase the effectiveness of Federal engagement with rural stakeholders.

I firmly believe that the SBA has an important role to play in expanding access to the capital necessary for economic growth and promoting innovation. Nearly one-fifth (16 percent) of the American population lives in rural counties, and these communities are essential in the development of science and innovation because they supply our food, energy, and safeguard our natural resources. With regard to my home state of Louisiana, over one-quarter (27 percent) of Louisianans live in rural areas, and more than one-half (35 of 64) of Louisiana parishes are non-metropolitan. These small businesses and family farms located in rural America are vital to the regional and national economy.

This Rural Council has the potential to make a difference because rural communities are too often overlooked by investors. For example, many of the poorer rural counties in Louisiana are located around the Mississippi Delta Region. In fact, the Louisiana side of the Mississippi Delta is one of the most poverty stricken areas in the United States, and the Delta Region (East Carroll, Madison, Tensas, Concordia, Catahoula, Franklin and Richland Parishes) has been identified as the poorest cluster of parishes in Louisiana. According to the 2000 Census, the average family poverty rate in this area is more than 26 percent, well above the State's poverty rate. The town of Waterproof, Louisiana in Tensas Parish had three out of four African American residents living below the poverty level (out of a total of 834 residents).

The establishment of the White House Rural Council provides the SBA an open forum to advance its mission of growing businesses and creating jobs. The SBA is uniquely positioned as the voice of small businesses in America to share its unique perspectives and data to assist in the Rural Council's recommendations to the President. You should of course incorporate the SBA's resource partners' perspectives by consulting Small Business Development Centers (SBDC), Service Corps of Retired Executives (SCORE), U.S. Export Assistance Centers (USEAC), Women's Business Centers (WBC), and Veterans Business Outreach Centers (VBOC). According to a 2011 GAO Report (*GAO-11-477R*), no SBA program is designated toward a specific urban or rural community. All of SBA's investments in

entrepreneurial efforts, infrastructure, plans and strategies, commercial buildings, new markets, and telecommunications are applicable to executing its mission in rural communities. I strongly believe that your perspective from SBA – and those of your resource partners – will provide the President invaluable contextual information on rural economic development.

Finally, I respectfully request that you keep me and the oversight committee staff updated on the SBA's participation with the White House Rural Council. I have listed several specific questions that are interest me and that I believe will be particularly helpful to the Rural Council:

1. Subject to Sec. 3 (b) and (d) of Executive Order 13575, who from the SBA will you designate to perform the Rural Council functions of the SBA? When should we expect this announcement?
2. Subject to Sec. 4 (a), what are the SBA's top five recommendations to the President on streamlining and leveraging Federal investments to increase their impact and create economic opportunities to improve the quality of life in rural America?
3. Subject to Sec. 4 (b), how will the SBA contribute to increasing the Federal engagement with rural small businesses?
4. Subject to Sec. 4 (d), how will the SBA facilitate rural economic opportunities associated with energy development, outdoor recreation, and other conservation related activities?
5. How will the SBA promote the rural development of science and innovation?

Thank you for your attention to this matter. With kind regards, I am

Sincerely,



Mary L. Landrieu
Chair

MLL:aj