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United States Senate

WASHINGTON, DC 20510–1804

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The Honorable Barack Obama
Office of the President-Elect
Washington, DC 20270

Dear President-Elect Obama:

Let me take this opportunity to again congratulate you on your election as the 44th President of the United States. During your tenure in the United States Senate, you were an invaluable partner in our efforts to spur Gulf Coast recovery and to enact significant Federal government disaster reforms. I look forward to working closely with you and your Administration in a similar manner to tackle the major issues facing our country.

During this difficult time for our country, your Administration inherits many difficult challenges, but at the same time you will be presented with great opportunities. For example, according to the U.S. Small Business Administration (SBA), there are approximately 25.8 million small businesses in the United States - representing more than 99 percent of all U.S. employers. These small businesses are particularly hit hard by the credit crunch and economic downturn, but also bring great strength to bear on our recovery.

As the incoming Chair of the Senate Small Business and Entrepreneurship Committee, I believe that the SBA can be a key lifeline for these at-risk businesses. After years of neglect, however, the agency is at a crossroads. SBA has a core of dedicated staff and many excellent programs, but has lacked the necessary funding and vision to fully realize its mission. Your Administration now has the unique opportunity to revitalize this agency. I was encouraged by my recent meeting with members of your transition team, who expressed a shared commitment to this goal. For my part, I am committed to help in these efforts by providing the necessary oversight and funding to complete the task.

As you prepare the agenda for your Administration, I believe your first step for the SBA must be to elevate it to cabinet-level status again. SBA is the primary Federal agency for promoting small business interests and its role was inadvisably diminished in recent years. If empowered by a return to proper rank, the SBA Administrator can be a more effective champion for our small businesses, especially in the areas of tax policy, healthcare, innovation, international trade, and economic development. The agency would also have a stronger voice on creating opportunities for small businesses and entrepreneurs, including minority and women-owned businesses. Furthermore, such a move would improve coordination between SBA and the other Federal agencies, such as the Department of Commerce and Department of Agriculture. These agencies have programs that benefit small businesses but often lack integration between complimentary programs. You have shown great care in your announced Cabinet selections and I look forward to scheduling confirmation proceedings for your SBA Administrator nominee at the appropriate time.

Next, in addition having a diminished role in recent years, your Administration inherits an SBA which has been cut to the bone in terms of funding and staffing. Outgoing Chairman John Kerry has noted that funding for the SBA was $499.5 million in 2008 – down approximately 26 percent from 2001. In my capacity as a member of the Senate

Appropriations Committee and incoming Chair of the Senate Small Business and Entrepreneurship Committee, I am committed to working with your Administration to end this downward trend. For this agency to truly realize its mission – particularly in supporting our small businesses through the current economic crisis – SBA needs funding increases to carry out its lending, technical assistance and entrepreneurship programs. I will work closely with the SBA and my colleagues on the Senate Small Business and Entrepreneurship Committee to shepherd reauthorization of these and other SBA programs.

During the 110th Congress, Chairman Kerry and Ranking Member Olympia Snowe worked with me to enact significant SBA disaster reforms. As you well know, these reforms were necessary after SBA's woeful response to Hurricanes Katrina and Rita. Our reforms, passed as part of the Farm Bill, improved SBA preparedness and provided the agency with new tools for future disasters. These reforms should go a long way towards creating a more efficient, responsive SBA in times of disaster. However, as your Administration implements many of these new programs, I am aware that additional reforms may be necessary. I intend to continue my work with SBA to ensure the agency never again lets down our small businesses in times of need.

In closing, as Congress considers a stimulus package for next year, I believe that there must be a strong role for our small businesses in the legislation. Small businesses are the engines for innovation and job growth, and this legislation must provide sufficient opportunities for small businesses in urban and rural communities. For example, I understand there will be a sizable infrastructure component to this legislation, which would certainly benefit small businesses around the country. We should ensure that there are sufficient opportunities for small businesses to contract for this infrastructure work and that it is partnered with funding for technical assistance. Small business owners also want to expand operations but are struggling with finding an appropriately skilled workforce. Therefore, real solutions should be promoted in the areas of workforce development, healthcare, and education to assist small businesses. Lastly, to promote further entrepreneurship, I plan on reviewing the impact of Federal regulations on small business growth, including last-minute regulations currently being enacted. At this difficult economic time, we must know whether these and other regulations are helping or hurting small business owners.

Like you, I believe that small businesses are the backbone of our economy. Now more than ever, we need an SBA that is truly a champion for America's small businesses and entrepreneurs. A strong SBA is essential to spurring our economic recovery and laying the groundwork for future prosperity. I thank you for consideration of these recommendations and hope that they are helpful to both you and your team.

With warmest regards, I am

Sincerely,

Mary Landrieu

Mary L. Landrieu
United States Senator