

Congress of the United States
Washington, DC 20515

October 21, 2010

Mr. Gene L. Dodaro
Acting Comptroller General of the United States
U.S. Government Accountability Office
441 G. Street, NW
Washington, DC 20548

Dear Mr. Dodaro,

Allow us to thank you for the impressive work that you have done on behalf of Congress and the American people.

As you may know, the federal government has a congressionally mandated goal of spending 23 percent of the "total value" of all prime contracts with legitimate small businesses. The 23 percent is derived from the more than \$500 billion the federal government spends annually on goods and services. The Obama Administration has recommitted to meeting or exceeding this goal. Yet, one area that is consistently overlooked is small business subcontracting, or the process by which large prime contractors subcontract government work out to small firms.

Since the inception of the Comprehensive Subcontracting Plan Test Program (CSPTP), Section 834 of P.L. 101-189 through the Department of Defense (DoD) in 1990, the intent of Congress was to determine if comprehensive subcontracting plans on a corporate, division or plant-wide basis would lead to increased opportunities for small businesses.

Section 811, P.L. 104-106 expanded the test program to determine if comprehensive subcontracting plans would reduce the administrative burdens on the large prime contractors, while at the same time, increase subcontracting opportunities for small businesses and small disadvantaged businesses (SDBs).

The CSPTP has been reauthorized three times since 1990. After 20 years, the test program has never been evaluated to determine if the goals of the program have been met. Federal contracting data calls into question whether the 14 large prime contractors who are participants in the CSPTP are actually meeting their small business subcontracting goals.

We are writing to request a Government Accountability Office (GAO) investigation into the CSPTP. This investigation should include, at a minimum, an evaluation of:

- (1) Whether the goals of the CSPTP, as established by Congress in 1989, are actually being met. This evaluation should include a determination of the following:
 - a.) Whether allowing large prime contractors to use subcontracting plans on a corporate, division or plant-wide basis has led to an increase in subcontracting opportunities under the program for small businesses, including small and disadvantaged businesses.

b.) Whether the subcontracting goals, as established by the large prime contractor participants in their master subcontracting plans, are being met annually.

c.) A detailed accounting of the extent to which small businesses are being used as subcontractors on contracts issued to large participants of the program.


Small businesses are the backbone of our nation's economy. They employ over 50 percent of the private-sector workforce, create more than half of the nation's GDP, and are responsible for more than sixty to ninety percent of the net new jobs in America since the mid-1990's. Congress must ensure that federal small business contracting and subcontracting programs are functioning properly to provide maximum practicable opportunity to our small businesses, including minority-owned, woman-owned, veteran-owned and HUBZone small businesses.

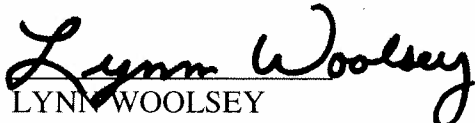
In light of the millions of jobs lost in the country since the onset of the economic downturn, it is appropriate to ascertain the effectiveness of this program that was created in order to give the engines of our economy a stronger chance to participate in the Federal procurement marketplace.

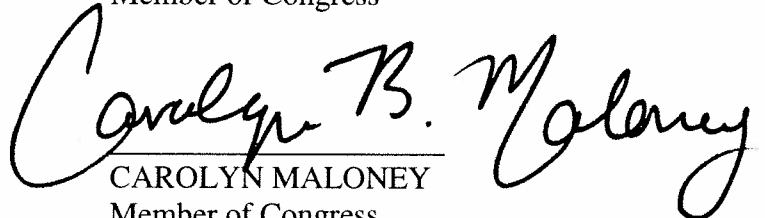
We look forward to working with you in this investigation and to the results that you present. Thank you.


Sincerely,


YVETTE D. CLARKE
Member of Congress


BENNIE THOMPSON
Member of Congress


LYNN WOOLSEY
Member of Congress


CAROLYN MALONEY
Member of Congress


CHELLIE PINGREE
Member of Congress