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September 2, 2011

The Honorable Leon E. Panetta
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Panetta:

I recently received a copy of your August 24, 2011 memorandum, "Increasing Small Business Contracting Opportunities in FY 2011." I was pleased to see your support of small business and your recognition of the important role these businesses have in America's economy. As you may know, small businesses employ just over half of our nation's private workforce and have generated 64% of net new jobs in the past 15 years. The small businesses that support the Department of Defense are particularly important to our industrial base and will play an integral role in the economic strengthening of our nation as well as the support of our military troops.

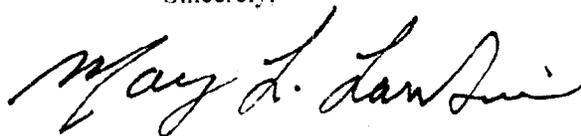
I was particularly heartened to see your support this year as the Department has traditionally faced challenges in meeting small business goals. I am offering to you my full support in your endeavor to meet – and even exceed – the Department-wide small business contracting goal of 22.3% for FY2011. Likewise, I encourage you and your staff to keep small business in mind as you develop policies that will surely influence how acquisition professionals and program managers identify sources and engage with defense contractors. Of particular interest to the Senate Committee on Small Business and Entrepreneurship, are the following:

- Use of bundling and its effect on small business
- Reliance on large primes to assure the most effective use of small business
- Insight into the actual use of small business as promised in large prime proposals
- Inclusion of small business directors in significant acquisition strategies
- Small business education/training for contracting professionals and program managers
- Use of administrative technicalities by large primes to withhold prompt payment to small subcontractors, and
- Protection of small business intellectual property in the Department of Defense.

Again, I am pleased to see your public support of America's small business. I look forward to meeting the Department's Director of Small Business, Andre Gudger, in the coming months. Please do not hesitate to contact me if my staff or I can assist you and your small business team in achieving Congressionally-mandated small business goals to assure the agility and innovation of small business benefit America's men and women in uniform.

With warmest regards, I am

Sincerely,



Mary L. Landrieu
Chair