

September 12, 2005

The Honorable Nancy Pelosi,  
House Democratic Leader  
United States House of Representatives  
2371 Rayburn House Office Building  
Washington, DC 20515

Dear Congresswoman Pelosi:

We write to express the deep concerns of the NAACP Legal Defense and Educational Fund, Inc., the NAACP and the National Urban League with respect to the expenditure of federal funds for the Hurricane Katrina relief effort. As the Administration and Congress move to establish and fund a recovery program, we urge you to insure that the reconstruction funds are expended in an inclusive manner. It would be ironic and unfortunate if African Americans and other people of color, already impacted by Katrina, were left out of the recovery efforts. We are concerned about the Appropriations Act (H.R. 3673) passed by Congress last week, as well as any future appropriations providing for reconstruction of areas affected by Hurricane Katrina.

We believe that the Congress should continue pre-existing federal policies that seek to assure that minority business enterprises are regularly selected as federal contractors. We believe that it is only through the continuation of these federal policies that persons of color will have a full and equal opportunity to serve as participants in the re-building efforts.

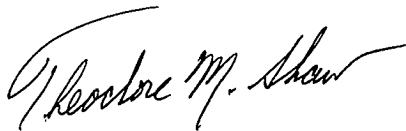
Those federal policies are reflected in part in federal agency provisions that provide mechanisms to assure contracting opportunities for socially and economically disadvantaged concerns pursuant to Section 8(a) of the Small Business Act, 15 U.S.C. § 637. We ask the Congress to require that these provisions are vigorously enforced going forward.

A provision in the Appropriations Act passed last week appears to exempt federal contracts below \$10,000,000 from coverage under the Small Business Act. (Previously, under the particular statutory provisions invoked by the Act, only contracts not in excess of \$5,000,000 were exempted). While we understand that the provisions governing contracting with socially and economically disadvantaged individuals remain in effect for federal contracts in excess of \$10,000,000, we believe the exemption of contracts below \$10,000,000 is contrary to federal policy.

We also ask that the Congress require all contractors to follow inclusive hiring policies so that persons of color are involved in the rebuilding effort in appropriate numbers. In that regard, we

also believe that persons displaced by the disaster should be given priority for jobs in the reconstruction following Hurricane Katrina.

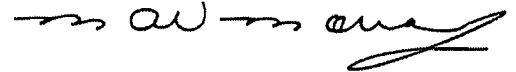
Very truly yours,



Theodore M. Shaw  
Director-Counsel and President  
NAACP Legal Defense and  
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Bruce S. Gordon  
President & CEO  
NAACP



Marc H. Morial  
President & CEO  
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