



UNDER SECRETARY OF THE AIR FORCE
WASHINGTON

FEB 4 2004

MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION,
TECHNOLOGY AND LOGISTICS

SUBJECT: Department of the Air Force Small Business Program Performance for FY03

I am extremely pleased to submit the FY03 Annual Assessment Report for the Air Force Small and Disadvantaged Business Utilization Program. The Air Force Small Business Program has enjoyed an outstanding year. The Air Force continues to see an increase in dollars awarded to small and disadvantaged businesses. The support our small businesses have provided to the War on Terrorism and Operation Iraqi Freedom has been truly remarkable. In FY03, the Air Force achieved unprecedented levels of prime contract awards to small business totaling in excess of \$7.5B, an increase of 20% over FY02. We also made great progress on many small business initiatives and for the first time since FY96, actually exceeded our overall small business goal.

Not resting on the recent successes, we are continuously evaluating our progress and adjusting our strategies accordingly. We will continue to focus on initiatives aimed at increasing opportunities for Veteran-Owned Small Business (VOSB), businesses operating in Historically Underutilized Business (HUB) Zones and Women-Owned Small Businesses (WOSB). We are fostering the use of Historically Black Colleges/Universities (HBCU) and Minority Intentions (MI) in our highly successful Mentor-Protégé (MP) and Small Business Innovative Research (SBIR) programs. We continue to explore projects like the Flight Awareness Summer Training (FAST) program, which embody Air Force corporate values, the fascination of flight and comprehensive flight instruction to students at various institutions of Higher Education. We are steadfast in emphasizing the significant contributions small businesses are making in supporting our men and women in uniform. We will continue to evaluate and balance business decisions to allow even more small business participation while continuing to ensure operational capability for the warfighter.

While there are significant challenges in reaching the goals in awards to Women-Owned, HUB Zone, and Service Disabled Veteran-Owned small businesses, I can assure you that the Air Force is very aggressive in promoting efforts that provide real opportunities and growth potential for small businesses. We will continue to support the President and the Congress in valuing the contributions that small businesses make in keeping our nation strong. Our goal is to increase small-business participation and the contract dollars awarded to our nation's small businesses and HBCU/MI. I look forward to continue working with you and your staff in making this happen.

A handwritten signature in black ink, reading "Peter B. Teet", with a horizontal line underneath.

Attachment:
Air Force Small Business (SB) End of Year Report FY03

cc:
OUSD(AT&L)(SADBU)
SAF/AQ
SAF/MR
AF/DP