

OVERSIGHT PLAN FOR THE COMMITTEE ON SMALL BUSINESS
109TH CONGRESS
U.S. HOUSE OF REPRESENTATIVES
DONALD A. MANZULLO, CHAIRMAN

Rule X, clause 2(d)(1), of the Rules of the House requires each standing Committee to adopt an oversight plan for the two-year period of the Congress and to submit the plan to the Committees on Government Reform and House Administration not later than February 15 of the first session of the Congress.

The oversight plan of the Committee on Small Business includes areas in which the Committee expects to conduct oversight activity during the 109th Congress. However, this plan does not preclude oversight or investigation of additional matters as the need arises.

OVERSIGHT OF THE SMALL BUSINESS ADMINISTRATION

The Committee will conduct hearings on all the major programs of the Small Business Administration (SBA) to determine their effectiveness and possible options for improvements, as a prelude to reauthorization of the entire SBA to be completed by September 30, 2006.

The Committee will oversee the SBA's performance in carrying out its statutorily mandated roles, including its internal financial management, and will work to ensure that the SBA eliminates any improper payments and receives a green score card under the Administration's Programs Assessment Rating Tool (PART).

The Committee will also monitor the reporting requirements on gifts, co-sponsorships and co-operative agreements received or entered into by the SBA with the private sector.

FINANCIAL AND MANAGEMENT/TECHNICAL ASSISTANCE PROGRAMS

The Committee will conduct hearings on the effectiveness and efficiency of the SBA's major programs. These include: 7(a) General Business Loan Program, the Certified Development Company Program, the Small Business Investment Company (SBIC) Program, the Microloan Program, the Disaster Loan Program, Small Business Development Centers (SBDCs), and New Markets Venture Capital Program. In particular, the Committee will closely examine the participating securities component of the SBIC program with the intention to move legislation to resuscitate the program (April 2005). In addition, the Committee will oversee the Office of Government Contracting to ensure that other Federal agencies meet the minimum threshold of various small business goals in Federal government procurement.

The Committee will also examine on the ability of small businesses to gain access to capital, focusing particularly on interest rates and bank regulations.

ADVOCACY

The Office of Advocacy was created to provide small business with an effective voice inside the Federal government. The Committee will conduct hearings on how to strengthen this voice and make sure that the Office of Advocacy continues to effectively represent the interests of small business. As part of this process, the Committee will also monitor the implementation of Executive Order 13272 regarding the “Proper Consideration of Small Entities in Agency Rulemaking.” (Spring 2003)

VETERANS

In the 106th Congress, Congress created a new office of Veterans Business Development at the SBA and the National Veterans Business Development Corporation to enhance and improve small business services to our nation’s veterans. The Committee will continue to conduct hearings on the implementation of the Veterans Entrepreneurship and Small Business Development Act, including a review of the progress on achieving the service-disabled veterans goal in procurement and the implementation of Executive Order 13360 to “Providing Opportunities for Service-Disabled Veteran Businesses to Increase their Federal Contracting and Subcontracting.” (May 2005)

TECHNOLOGY AND RESEARCH ASSISTANCE

Small Business Innovation Research program

The Small Business Innovation Research (SBIR) program aids small businesses in obtaining federal research and development funding for new technologies. In 2000, Congress reauthorized the SBIR program for eight years. The Committee will investigate the implementation of the changes to the SBIR program and, more particularly, the outreach effort of the SBIR program to make sure that all areas of the country benefit from the program and to insure that the program assists in the development of new research and development for small manufacturers critical to the defense industrial base.

Small Business Technology Transfer (STTR) program

Committee oversight will focus on the program’s success at helping small business access technologies developed at federal laboratories and put that knowledge to work. In 2001, Congress reauthorized the STTR program for eight years. The Committee will monitor agency implementation of PL 107-50.

FEDERAL PROCUREMENT

The Committee will examine needed changes in federal procurement. The Committee will continue to monitor and highlight the practice of creating bundled or consolidated mega-contracts that are too large for small business participation. Additionally, the implementation of Administration's strategy for increasing Federal-contracting opportunities for small business as released by the Office of Federal Procurement Policy at the Office of Management and Budget in October 2002 will be closely scrutinized.

Because there is a direct correlation between the ability of an agency to achieve its goals and contract bundling, the success of Federal agencies in meeting all their small business goals will also be assessed. The Committee will also work to protect the integrity in calculating small business participation in Federal contracting by ensuring that big businesses are not credited as small businesses.

The Committee recognizes that the Federal Procurement Data System (FPDS) – the existing system used by the SBA to evaluate small business participation in government contracts – is not capturing accurate information on small business achievement. The Committee will work to ensure that agencies, including the SBA, are held accountable for any false numbers being used to portray a positive small business environment in the federal marketplace.

With the continued practice of contract bundling, more small businesses will become subcontractors. In light of this, the Committee will work to ensure fair treatment for subcontractors on Federal contracts.

The Committee will also work to jump-start the women's contracting program to make sure the program is serving the needs of women-owned businesses.

GOVERNMENT COMPETITION

The Committee will examine the extent to which the Federal government itself directly or indirectly competes with small business. Our focus will include activities in both government practices and in certain status given by the Federal government to non-governmental entities. (On-going)

REGULATORY FLEXIBILITY

The Committee will continue its oversight of agency compliance with the Regulatory Flexibility Act, as amended by the Small Business Regulatory Enforcement Fairness Act. (On-going)

The Committee will oversee the implementation of the Truth in Regulating Act.

SBREFA

The Committee will be conducting oversight hearings on agency implementation of the Small Business Regulatory Enforcement Fairness Act (SBREFA), which was enacted during the 104th Congress. The Committee will also examine the need to further amend and strengthen SBREFA. (April 2005)

PAPERWORK REDUCTION

The Committee will hold hearings and work to strengthen the Paperwork Reduction Act. (2005)

GOVERNMENT REGULATION

The Committee will continue to examine the regulatory activities of various Federal agencies and assess the impact of regulations on the small business community. (On-going)

In addition, the Committee will work toward amending the Equal Access to Justice Act to enable small businesses to challenge unfair government actions against them (Summer 2005).

TAXATION

The Committee will continue to conduct oversight hearings into ways to reduce the tax burden on small business. These hearings will include not only the monetary but also the paperwork burden of the Federal tax system and Federal enforcement efforts on small business. (On-going)

ENERGY

The Committee will conduct oversight hearings on the potential effects of any legislative changes in energy policy, including examining the possible effects of deregulation of electricity on small business. (Summer, 2005)

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Committee will continue consultations with the SBA regarding the preparation and implementation of strategic plans and performance plans as required by the Government Performance and Results Act.

EMPOWERMENT

The Committee will conduct oversight hearings on regulations and licensing policies that impact small businesses located in high risk communities. The Committee will also examine the promotion of business growth and opportunities in economically depressed areas, and will examine programs targeted towards relief for low-income communities. The challenges facing minority-owned businesses will continue to be evaluated. (On-going)

WORKFORCE

The Committee will examine issues related to the problems faced by small businesses in attracting and retaining a high quality workforce. Specifically, the Committee will investigate vocational education programs, worker retraining programs, and wage and benefit issues. (On-going)

HEALTH CARE

The Committee will examine ways on how to improve access and increase affordability of high quality medical care for small business owners and their employees. (On-going)

PENSION REFORM

The Committee will examine ways on how to enhance retirement security for small business owners and their employees. (On-going)

E-COMMERCE AND TECHNOLOGY

The Committee will continue to conduct oversight hearings into ways to reduce the “digital divide” in order to promote business growth and opportunities in economically depressed areas. These hearings will also examine ways to help the average small businessperson exploit the vast potential of Internet commerce. (On-going)

TELECOMMUNICATIONS

The Committee will examine the impact of Telecommunications Act of 1996 on small business. First, the Committee will investigate whether or not the broadest range of small businesses have benefited from more competition in the telecommunications market through lower prices and better service. Second, the Committee will investigate whether or not small business telecommunication companies have benefited from the Act. The Committee will explore alternatives to enhance the benefits of the changes in telecommunications technology for small business. (On-going)

INTERNATIONAL TRADE

The Committee will continue to examine ways to expand export opportunities for small business. The Committee will conduct oversight hearings on Federal trade policy and export promotion programs to insure that they serve the needs of small business exporters. (On-going)

SELF-EMPLOYED

The Committee will hold oversight hearings on how to reduce the regulatory and tax burden on the self-employed, particularly those in home-based businesses. (On-going)

MANUFACTURING

The Committee is gravely concerned that nearly 3 million jobs have been lost in manufacturing over the past two years, much of which were in small manufacturing businesses. The Committee will continue to hold hearings to examine the causes of these problems and propose a series of recommendations for both legislative and administrative changes. (On-going)

Specifically, the Committee will examine the costs of the loss of small manufacturers and suppliers critical to our national security and our defense industrial base (Spring 2005).

AGRICULTURAL/RURAL/FARM ISSUES

The Committee will examine ways to promote business growth and opportunities in rural areas. The Committee will hold oversight hearings on agricultural issues that impact small business. (On-going)

The Committee will hold oversight hearings on the impact of Federal lands policy on small business. (On-going)

REVIEW OF SPECIFIC REGULATIONS

Pursuant to Rule X, clause 2(d)(1)(B), the Committee on Small Business is required to submit to the Committee on Government Reform and the Committee on House Administration an oversight plan that “reviews specific problems with Federal rules, regulations, statutes, and court decisions that are ambiguous, arbitrary, or nonsensical, or that impose severe financial burdens on individuals.” The following is a summary of regulations that the Committee has so far identified for review but should not be interpreted as limiting the Committee’s review of regulations issued by federal agencies that continue to impose unnecessary burdens on small business. In part, this review is based on the Committee’s legislative jurisdiction to provide continuing oversight of the Regulatory Flexibility Act pursuant to Rule X, cl. 1(o)(1).

<u>Agency</u>	<u>High Regulatory Reform Priorities for Small Business</u>
All	Small Business Liaisons
Commerce/ BIS	Revised “Knowledge” Definition, Revision of “Red Flags” Guidance and Safe Harbor
DOT/FMCSA	Hours of Service
DOT/RSPA	Hazardous Materials Rules (HM-223)
EPA	“Whole Effluent Toxicity” (WET) Methods
EPA	Chemical Inventory Update Rule
EPA	Hazardous Waste Rules Should Be Amended to Encourage Recycling
EPA	Lead Reporting Burdens Under the Toxic Release Inventory Program
EPA	Pretreatment Streamlining Rule Under the Clean Water Act
EPA	Provide More Flexibility in the Management of Wastewater Treatment Sludge to Encourage Recycling
EPA	Regulation of Air Toxics from Area Sources
EPA	Reporting and Paperwork Burden in the Toxic Release Inventory Program
EPA	Spill Prevention Control and Countermeasures (SPCC) Rule

EPA	Method of Detection Limit/Minimum Level (MDL/ML) Procedure under the Clean Water Act
EPA	Reportable Quantity (RQ) Threshold for Nitrogen Oxide and Dioxide at Combustion Sources
EPA	Deferral of Duplicative Federal Permitting
EPA	Reporting of Coincidental Manufactured Compounds under the Toxic Release Inventory Program
EPA	SARA Title III Reporting Requirements
FCC	"Do Not Fax" Rule
HHS	Privacy of Individually Identifiable Health Information
HHS/CMS	HIPAA
HHS/FDA	Use of Term "Fresh" for Baked Goods
Justice	Administration of Federal Prison Industries (FPI)--Guidance
Labor	FMLA/Intermittent Leave
Labor	FMLA/Perfect Attendance Awards
Labor	FMLA/Request for Leave
Labor	FMLA/Serious Health Condition
Labor	FMLA/Health Care Provider Certification
Labor	FMLA/Penalty Provisions
Labor	FMLA/Substitution of Paid Leave
Labor	FMLA/Unable to Perform
Labor/MSHA	Diesel PM Exposure
Labor/OSHA	Hazard Communication
Labor/OSHA	Hexavalent Chromium
Labor/OSHA	Sling Standard
Labor/OSHA	Threshold Limit Values
OMB	Administration of Federal Prison Industries (FPI)--Guidance
Treasury/IRS	"Statutory Employees"--Bakery Drivers
Treasury/IRS	Communications Distance Sensitivity
Treasury/IRS	Election to Expense Certain Depreciable Business Assets
Treasury/IRS	"Statutory Employees"--Bakery Drivers
Treasury/IRS	Bonus Depreciation
Treasury/IRS	Mobile Machinery Exemption
USDA/FSIS	Ready to Eat Meat Establishments to Control for Listeria Monocytogenes
USDA/RUS	Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes (Proposal)

REVIEW OF DUPLICATIVE FEDERAL PROGRAMS

Pursuant to Rule X, clause 2(d)(1)(E), the Committee on Small Business is required to submit to the Committee on Government Reform and the Committee on House Administration an oversight plan that “have a view toward insuring against duplication of Federal programs.” The following is an example of Federal programs under the Committee’s legislative jurisdiction that the Committee has so far identified for review but should not be considered as an exhaustive list. In part, this review is based on the Committee’s legislative jurisdiction to authorize the programs of the SBA.

While the Rural Business Investment (RBI) program, which was created as part of the *Farm Security and Rural Investment Act of 2002* (P.L. 107-171) to help provide venture capital to small businesses in struggling rural areas, falls technically within the legislative jurisdiction of the Agriculture Committee and is technically housed at the U.S. Department of Agriculture (USDA), the program mirrors almost word for word sections of the *Small Business Investment Act of 1958*. The RBI program currently operates as a partnership between the USDA and the SBA and the USDA continues to rely upon the expertise of SBA personnel for advice and help on launching and operating the program.

The RBI program is duplicative of both the SBIC program and the New Markets Venture Capital program (NMVC) since they both invest in low- to moderate-income (LMI) areas, including those located in rural America. The SBIC or the NMVC programs could have been augmented to accomplish the same goals as the RBI program and housed in the agency with the expertise in manage this type of program (i.e., the negative experience of the USDA in managing a similar initiative in the 1990’s – the Alternative Agricultural Research and Commercialization Corporation or AARCC – should serve as a warning flag) without having to create a duplicative program at the USDA. However, to legislatively change the RBI program would require an action by the Committee on Agriculture.