

ORGANIZATIONAL MEETING

COMMITTEE ON SMALL BUSINESS UNITED STATES HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

MEETING HELD
WEDNESDAY, JANUARY 28, 2009



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HOUSE COMMITTEE ON SMALL BUSINESS

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KAREN HAAS, *Minority Staff Director*

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ORGANIZATIONAL MEETING

WEDNESDAY, JANUARY 28, 2009

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 1:07 p.m., in Room 2360, Rayburn House Office Building, Hon. Nydia M. Velázquez [Chair of the Committee] Presiding.

Present: Representatives Velázquez, Moore, Shuler, Dahlkemper, Schrader, Kirkpatrick, Nye, Michaud, Bean, Lipinski, Altmire, Sestak, Bright, Griffith, Halvorson, Graves, Bartlett, Akin, Buchanan, Luetkemeyer, Schock, Thompson and Coffman.

Chairwoman VELÁZQUEZ. I call the Small Business Committee organizational meeting to order.

I want to first welcome all returning and new members, and I want to also recognize Ranking Member Graves in his new role with the committee. We all look forward to working with you.

Let me take this opportunity to introduce the members on my side.

We have Kathy Dahlkemper from Pennsylvania. Ms. Kathy Dahlkemper is serving her first time, representing Pennsylvania's 3rd District. She is the new Chair of the Subcommittee on Regulations and Health Care. After facing challenges running her own small business, she is committed to creating policy that provides a positive environment for job retention and growth.

Kurt Schrader, Oregon 5. Mr. Kurt Schrader is serving his first term as a representative of Oregon's 5th District. He has been a public servant to the citizens of Oregon for over 35 years. He will Chair the Subcommittee on Finance and Tax during this Congress.

Mr. Heath Shuler, an old member returning, represents the 11th District of North Carolina. He will Chair the Subcommittee on Rural Development, Entrepreneurship and Trade in the 111th Congress. In the last Congress, Mr. Shuler was the sponsor of the Small Energy Efficient Business Act, which was signed into law.

Mrs. Ann Kirkpatrick, Arizona 1st. Mrs. Ann Kirkpatrick is serving her first term representing Arizona's 1st District. She served in the House of Representatives of Arizona prior to coming to Congress. She was her county's first female Deputy Attorney and went on to serve as District Attorney for the City of Sedona.

Michael Michaud, Maine's 2nd District. He is currently serving his fourth term representing the people of the 2nd District of Maine in Congress. He has been active on the committee since coming to Congress and is also a leader on veterans' issues. He also

has continued to be a vocal voice on behalf of economic development programs since coming to Congress.

Mr. Jason Altmire, Pennsylvania's 4th District; he will continue to Chair the Subcommittee on Investigation and Oversight. He was the lead sponsor of the Small Business Investment Expansion Act of 2007, which updates the SBA's investment programs and encourages more venture capital opportunities for small businesses. Prior to coming to Congress, he worked as a hospital executive.

Mr. Joe Sestak, Pennsylvania's 7th District. He was elected in 2006. He will continue to serve as the Vice Chair of the Small Business Committee in the new Congress. He was lead sponsor on the SBA Entrepreneurial Development Programs Act of 2007, which provides technical assistance for entrepreneurs. Prior to coming to Congress, he served in the Navy as a Vice Admiral.

Mrs. Deborah Halvorson, Illinois' 11th. She is serving her first term representing the constituents of the 11th District of Illinois. She served as the first female State senate majority leader in Illinois' history. She has been an advocate to promote local businesses around the globe.

Mr. Glenn Nye, Virginia's 2nd. Mr. Nye is serving his first term representing Virginia's 2nd District. He was previously a Foreign Service Officer for the U.S. State Department, where he served in Eastern Europe and received the Superior Honor Award. As a freshman, he has been named Chair of the Subcommittee on Contracting and Technology.

Mr. Bobby Bright, Alabama's 2nd. He is serving his first term representing Alabama's 2nd District. Prior to coming to Congress, he was the Mayor of Montgomery, Alabama. As Mayor, Mr. Bright was able to lift Montgomery from 70th to 30th in a ranking of cities experiencing business success.

The Honorable Parker Griffith, Alabama's 5th, serving his first term. He is a retired oncologist, as well as a businessman and teacher. While serving in the Alabama State senate, he championed legislation promoting research in biofuels and advancing health care.

And now I yield to Mr. Graves for him to introduce his members.

Mr. GRAVES. Thank you, Madam Chair; and I look forward to our working relationship in the committee.

We have three new members on our side. First of all, I would like to introduce Representative Blaine Luetkemeyer, who is a fellow Missourian. He worked as a banker and an insurance agent prior to coming to Congress. Representative Aaron Schock from Illinois, who had a career in real estate management and served in the Illinois General Assembly. And Representative Glenn Thompson of Pennsylvania, who was a health care executive before coming to Congress.

Also, I welcome back our returning members: Roscoe Bartlett from Maryland; Todd Akin, another fellow Missourian; Steve King of Iowa; Lynn Westmoreland of Georgia; Louie Gohmert of Texas; Mary Fallin of Oklahoma; and Vern Buchanan of Florida. They bring a lot of collective experience.

I think if you just look at the experience level on the entire committee, I think we are going to have a real good committee and a

lot of broad ideas and bring in a lot of good experience here. So thank you.

Chairwoman VELÁZQUEZ. My colleagues, our Nation's small businesses are facing difficulties on numerous fronts; and it is important to address these issues in a constructive and inclusive manner. My beliefs have always been that there is not a Republican or a Democratic approach to small business issues. That is why I have made it a priority for this committee to work in a bipartisan fashion. During the last 2 years, we did just that; and nearly every legislative and oversight matter was approached in this way. All members, regardless of party affiliation, bring worthy ideas to the table; and this committee will continue to be an open forum. With the adoption of today's rules package and oversight plan, I believe we are making it clear to the small business community that we are committed to working together and advocating on their behalf.

Last Congress, this committee was one of the busiest on all of Capitol Hill; and we passed a record number of bills and also a record number of bills for minority members as well. This year, with the economic challenges facing small businesses, we expect to be even busier. I look forward to the discussions and debates that I know will transpire over the next 2 years.

At this point, I now yield to Ranking Member, Mr. Graves, for his opening statement.

Mr. GRAVES. Thank you, Madam Chair.

As we begin, I do want to say I look forward to continuing the tradition of bipartisanship that the Small Business Committee has had, particularly on behalf of our Nation's entrepreneurs; and I would echo all of your statements. Small businesses employ over half of America's workers and create 7 of 10 jobs in this country. Small firms represent approximately 99 percent of all the firms in the nation and make up 45 percent of the Nation's private-sector payroll. They produce 50 percent of our private and nonfarm gross domestic product.

It is clear that small businesses are the key to economic recovery, and we have to ensure that small businesses remain healthy so they can reinvigorate our economy. Policies that create tax incentives, spur investment and create jobs will jump-start small businesses and get our economy moving again.

I look forward to working with you, Madam Chair, and the members of the committee on both sides of the aisle over the next 2 years on these issues that are so important and so critical to our recovery.

Chairwoman VELÁZQUEZ. I also would like to recognize Ms. Melissa Bean from Illinois who has joined the committee.

Today's first order of business is to adopt the committee rules. The adoption of the rules is central to the work we do and the tone we set in this body. Perhaps most importantly, they must ensure that all points of view are considered and that the minority retains their full rights to be heard. In this context, the rules adopted at the beginning of the 110th Congress were a critical departure from the past. This included providing the minority with proportional representation among witnesses and allocating the ranking member with full control over budget and travel decisions. This makes our committee's rule among the most equitable in Congress.

This year, we are making two substantive changes to improve the committee's structure and transparency. The first change is to vest each subcommittee with a specific legislative jurisdiction. This is important, given the amount of work before us and will help allocate our committee's resources and members' time more efficiently.

The second change we are making is to post the committee's votes within 48 hours after they were taken. We are not aware of any difficulties regarding our votes, and they are all available in the committee reports filed with the bills. However, I am glad to accept this change because it is important to Ranking Member Graves; and it starts the new year off in a bipartisan spirit.

This committee needs to run in a cooperative matter, and I believe the best way to do this is to make sure both sides have an equal voice and are treated in a way that is fair. Through adoption of these rules, we will continue this practice.

At this point, I would like to yield to Ranking Member Graves for any comments he may have on the rules.

Mr. GRAVES. Thank you, Madam Chair; And I want to thank you and your staff. Your staff, I know, put a lot of work into this and worked collaboratively with our staff.

This package does provide continued protection for the rights of the minority and the opportunity for the minority's input in the operation of the committee. I want to highlight four of those rules.

First, the rules provide the subcommittee with its legislative jurisdiction so that, for the first time, they will have the ability to mark up legislation. This means that the minority will have increased opportunities to consult with the majority about the overall tone and specific provisions of legislative initiatives. This is a very important development for the committee.

Second, the chairwoman has also allowed the minority to continue to call up to one-third of the nongovernment witnesses testifying at the committee hearing. This is going to enhance the dialogue presented by the committee with greater diversity on opinion as we consider policies to grow America's small businesses.

Third, except in unusual circumstances, the rules provide that subpoenas may not be issued unilaterally. Any subpoena issued by the chairwoman generally will require a majority vote of the committee. This ensures that the minority will continue to be consulted on this very important congressional oversight function.

And, fourth, the minority is going to continue to have control over one-third of the committee's budget. I thank you for that. That shows a lot about how you are going to run the committee. This rule goes a long way towards maintaining that collegial tone of the committee.

As a final thought, and the chairwoman pointed it out, I want to thank you for graciously accepting our recommendations from the minority; and, again, I appreciate you and your staff's hard work on this package.

I yield back.

Chairwoman VELÁZQUEZ. Thank you.

Are there any members that wish to be recognized on the rules?

If no other members wish to be recognized, I will yield to the Vice Chair, Mr. Sestak, for a motion.

Mr. SESTAK. I say that we adopt the rules for the 111th Congress.

Chairwoman VELÁZQUEZ. Does anyone second the motion?

The question is on the adoption of the rules. All those in favor, say aye. All those opposed, say no.

In the opinion of the Chair, the ayes have it. The rules for the Small Business Committee in the United States House of Representatives for the 111th Congress are hereby adopted.

Today's second order of business is to consider the committee's oversight plan. This represents our agenda for the next 2 years both in terms of oversight and also in terms of actions that we will take. I want to thank Ranking Member Graves for his input in constructing this plan and for helping improve this plan in such key areas such as transportation, broadband employment and the economy stimulus.

The oversight plan provides small businesses and this committee's members and staff with a policy framework to work within. Ideally, we have incorporated all matters that could arise in the next 2 years. But, as history has shown us, this is nearly impossible, especially without a magical crystal ball.

The oversight plan prioritizes several items for the committee's attention. It includes oversight of Federal actions taken in response to the financial crisis. In addition, the committee will examine tax proposals, rising health care costs and burdensome regulations.

This plan will provide members with a sense of our legislative agenda, including reauthorizing the Small Business Administration. I will note that the House fully passed this last year, but the other body did not act on it. Through the adoption of this plan, we are establishing a framework on how we intend to proceed to meet the needs of small businesses.

I look forward to working with each of you as we begin the new Congress.

At this point, I would like to yield to Ranking Member Graves for any comments he may have on the oversight plan.

Mr. GRAVES. Thank you, Madam Chair.

Congressional oversight is vitally important to ensure that the functions of government are being properly administered and managed. With a growing deficit as well as increasingly complex and costly government programs, it is critical to keep a watchful eye on expenditures' efficiency and effectiveness.

This committee has oversight authority over the programs and policies of the Small Business Administration, as well as issues of importance to America's small businesses like taxes, health care, government regulation, energy and access to credit.

Madam Chair, I look forward to working with you over the next 2 years to see that the provisions in this oversight plan are carried out through the appropriate hearings, studies, legislation and correspondence; and I want to thank your for incorporating our suggestions into the oversight plan. And my favorite part about the chairwoman is she is direct, quick, to the point and we get this done quickly; and I appreciate that.

Chairwoman VELÁZQUEZ. At this point, I would like to—

Are there any other members that wish to be recognized on the oversight plan?

If no other members wish to be recognized, I yield to the Vice Chair, Mr. Sestak, for a motion.

Mr. SESTAK. Madam Chair, I move that we adopt the plans of the 111th Congress.

Chairwoman VELÁZQUEZ. Does anyone second the motion?

Ms. BEAN. I second it.

Chairwoman VELÁZQUEZ. The question is on the adoption of the oversight plan. All those in favor, say aye. All those opposed, say no.

In the opinion of the Chair, the ayes have it. The oversight plan for the Small Business Committee in the United States House of Representatives for the 111th Congress is hereby adopted.

With that, the Small Business Committee organizational meeting is concluded; and the committee is now adjourned.

But before we adjourn, I just would like to recognize Mr. Dennis Moore from Kansas, who has joined us, and Dan Lipinski from Illinois.

Any other new member here, Mr. Graves?

Mr. GRAVES. I actually introduced them.

Chairwoman VELÁZQUEZ. Okay. Very good.

Well, the committee is now adjourned. Thank you.

[Whereupon, at 1:23 p.m., the committee was adjourned.]

Rules and Procedures***Adopted by the******Committee on Small Business******U.S. House of Representatives******111th Congress, 2009-2010*****1. GENERAL PROVISIONS**

The Rules of the House of Representatives, and in particular the committee rules enumerated in rule XI, are the rules of the Committee on Small Business to the extent applicable and by this reference are incorporated. Each subcommittee of the Committee on Small Business (hereinafter referred to as the "committee") is a part of the committee and is subject to the authority and direction of the committee, and to its rules to the extent applicable.

2. REFERRAL OF BILLS BY CHAIRWOMAN

Unless retained for consideration by the committee, all legislation and other matters referred to the committee shall be referred by the Chairwoman as she deems appropriate to the subcommittee of appropriate jurisdiction within 14 days. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdictions, the Chairwoman shall refer the matter, as she may deem advisable.

In referring any measure or matter to a subcommittee, the Chairwoman may specify a date by which the subcommittee shall report thereon to the subcommittee. The Chairwoman may also discharge a subcommittee from consideration of any measure or matter referred to a subcommittee.

3. DATE OF MEETING

The regular meeting date of the committee shall be the second Thursday of every month when the House is in session. A regular meeting of the committee may be dispensed with if, in the judgment of the Chairwoman, there is no need for the meeting. Additional meetings may be called by the Chairwoman as she may deem necessary or at the request of a majority of the members of the committee in accordance with clause 2(c) of rule XI of the House.

At least 3 days notice of such an additional meeting shall be given unless the Chairwoman determines that there is good cause to call the meeting on less notice.

The determination of the business to be considered at each meeting shall be made by the Chairwoman subject to clause 2(c) of rule XI of the House.

A regularly scheduled meeting need not be held if there is no business to be considered or, upon at least 3 days notice, it may be set for a different date.

4. ANNOUNCEMENT OF HEARINGS

Unless the Chairwoman, with the concurrence of the Ranking Minority Member, or the committee by majority vote, determines that there is good cause to begin a hearing at an earlier date, public announcement shall be made of the date, place and subject matter of any hearing to be conducted by the committee at least 7 calendar days before the commencement of that hearing.

After announcement of a hearing, the committee shall make available as soon as practicable to all Members of the committee a tentative witness list and to the extent practicable a memorandum explaining the subject matter of the hearing (including relevant legislative reports and other necessary material). In addition, the Chairwoman shall make available as soon as practicable to the Members of the committee any official reports from departments and agencies on the subject matter as they are received.

5. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(A) Meetings

Each meeting of the committee or its subcommittees for the transaction of business, including the markup of legislation, shall be open to the public, including to radio, television and still photography coverage, except as provided by clause 4 of rule XI of the House, except when the committee or subcommittee, in open session and with a majority present, determines by record vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade or incriminate any person or otherwise would violate any law or rule of the House; *Provided, however*, that no person other than members of the committee, and such congressional staff and such executive branch representatives as they may authorize, shall be present in any business meeting or markup session which has been closed to the public.

(B) Hearings

Each hearing conducted by the committee or its subcommittees shall be open to the public, including radio, television and still photography coverage, except when the committee or subcommittee, in open session and with a majority present, determines by record vote that all or part of the remainder of the hearing on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security, would compromise sensitive law enforcement information, or would violate any law or rule of the House; *Provided, however*, that the committee or subcommittee may by the same procedure vote to close one subsequent day of hearings. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, (i) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, would compromise sensitive law enforcement information, or violate clause 2(k)(5) of rule XI of the House; or (ii) may vote to close the hearing, as provided in clause 2(k)(5) of rule XI of the House.

All members of the committee shall be able to participate in any subcommittee hearing.

No member of the House may be excluded from non-participatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearing to members by the same procedures designated for closing hearings to the public. Additionally, such members who would like to not only attend, but participate shall notify the Ranking Minority Member and submit a request in writing to the Chairwoman two days in advance of such hearing. Such requests shall be subject to approval of the Chairwoman and the Ranking Member.

6. WITNESSES

(A) Statement of Witnesses

Each witness who is to appear before the committee or subcommittee shall file with the committee at least two business days before the day of his or her appearance 75 copies of his or her written statement of proposed testimony. Each witness shall also submit to the committee a copy of his or her final prepared statement in an electronic format at that time.

At least one copy of the statement of each witness shall be furnished directly to the Ranking Minority Member. In addition, all witnesses shall be required to submit with their testimony a curriculum vitae or other statement describing their education, employment, professional affiliations and other background information pertinent to their testimony unless waived by the Chairwoman. Each witness will complete a disclosure form detailing any contracts or business that they currently have with the federal government.

The committee will provide public access to its printed materials, including the proposed testimony of witnesses, in electronic form.

(B) Interrogation of Witnesses

Whenever any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairwoman by a majority of those minority members, to call a witness or witnesses selected by the minority to testify with respect to that measure or matter. The minority shall be entitled to a ratio of one-third of the witnesses testifying. For the purposes of determining this ratio, it shall not include testifying government officials. The witnesses requested by the minority shall be invited to testify by the Chairwoman and must furnish at least one copy of his or her statement and any supplementary materials directly to the

Chairwoman within two business days before the day of his or her appearance unless waived by the Chairwoman.

Except when the committee adopts a motion pursuant to subdivisions (B) and (C) of clause 2(j)(2) of rule XI of the rules of the House, committee members may question witnesses only when they have been recognized by the Chairwoman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The Chairwoman and the Ranking Member shall not be subject to the 5-minute period limitation. For all other Committee Members, the 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The Chairwoman, followed by the Ranking Minority Member and all other members alternating between the majority and minority, shall initiate the questioning of witnesses in both the full and subcommittee hearings. The order for questioning by members of each party shall be determined by the time in which the member arrived at the hearing after the gavel has been struck, with the first arriving having priority over members of his or her party. If members arrive at the same time, then seniority on the committee shall dictate the order.

In recognizing members to question witnesses, the Chairwoman may take into consideration the ratio of majority and minority members present in such a manner as not to disadvantage the Members of either party. The Chairwoman, in consultation with the Ranking Minority Member, may decrease the 5-minute time period in order to accommodate the needs of all the Members present and the schedule of the witnesses.

7. SUBPOENAS

A subpoena may be authorized and issued by the committee in the conduct of any investigation or series of investigations or activities to require the attendance and testimony of such witness and the production of such books, records, correspondence, memoranda, papers and documents, as deemed necessary. Such a subpoena shall be authorized by a majority vote of the full committee. The requirement that the authorization of a subpoena require a majority vote may be waived by the Ranking Minority Member. The Chairwoman may issue a subpoena, in consultation with the Ranking Minority Member, when the House is out of session for a period of 3 days or longer.

8. QUORUM

No measure or recommendation shall be reported unless a majority of the committee was actually present. For purposes of taking testimony or receiving evidence, there shall be one member from the majority and one member from the minority for the purposes of a quorum. Such requirement may be waived for field hearings by the Chairwoman. For all other purposes, one-third of the members (or 11 Members) shall constitute a quorum.

9. AMENDMENTS DURING MARK-UP

Any amendment offered to any pending legislation before the committee or subcommittee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the Chair shall allow an appropriate period for the provision thereof.

10. POSTPONEMENT OF PROCEEDINGS

The Chairwoman in consultation with the Ranking Minority Member may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chairwoman may resume proceedings postponed at any time, but no later than the next meeting day. In exercising postponement authority, the Chairwoman shall take all reasonable steps necessary to notify members on the resumption of proceedings on any postponed recorded vote. When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further debate or amendment to the same extent as when the question was postponed.

11. NUMBER AND JURISDICTION OF SUBCOMMITTEES

There will be five subcommittees as follows:

Subcommittee on Finance and Tax

The Small Business Administration (SBA) Lending and Investment programs: Section 7(a) loan program, 504 Certified Development Company program, Small Business Investment Company program, Disaster Loan Assistance programs, and Microloan program.

Access to capital and finance issues generally.

Oversight over tax policy and retirement/pension matters affecting small businesses

Subcommittee on Contracting and Technology

SBA Contracting programs including the following: Section 8(a) Business Development program, Small Disadvantaged Business (SDB) certification operated by SBA, Women's Procurement Program, HUBZone program, Surety Bond program, Service-disabled veteran procurement, and Section 7(j) management and technical assistance program

SBA Technology programs: Small Business Innovation Research (SBIR) program, Small Business Technology Transfer program

Oversight of government-wide procurement practices and programs affecting small businesses.

Oversight of technology and patent issues.

Subcommittee on Regulations and Healthcare

The Regulatory Flexibility Act, the Small Business Regulatory Enforcement Fairness Act, and the Paperwork Reduction Act

SBA's Office of Advocacy, National Ombudsman, and SBA small business size standards.

Oversight of regulations and regulatory issues that affect small businesses.

Oversight of healthcare coverage issues.

Oversight over issues affecting small healthcare providers.

Subcommittee on Rural Development, Entrepreneurship and Trade

SBA entrepreneurial development programs: Women's Business Centers, National Veterans Business Development Corporation, Small Business Development Centers, SCORE, Drug Free Workplace program, Office of Women's Business Ownership, and National Women's Business Council (NWBC)

New Markets Venture Capital (NMVC) program, New Markets Tax Credit program, BusinessLINC and the Program for Re-Investment in Micro entrepreneurs.

General oversight of programs targeted toward rural development and economic growth as well as general federal government entrepreneurial development programs.

Oversight of agricultural issues.

Oversight of energy issues.

Oversight of trade issues, including SBA's Office of International Trade.

Subcommittee on Investigations and Oversight

Oversight of SBA Administration, Management, and Agency Practices.

Oversight of activities by the Office of the Inspector General at SBA.

Oversight over general issues impacting small businesses.

12. COMMITTEE STAFF

(A) Majority Staff

The employees of the committee, except those assigned to the minority as provided below, shall be appointed and assigned, and may be removed by the Chairwoman. The Chairwoman shall fix their remuneration, and they shall be under the general supervision and direction of the Chairwoman.

(B) Minority Staff

The employees of the committee assigned to the minority shall be appointed and assigned, and their remuneration determined, as the Ranking Minority Member of the committee shall determine.

(C) Subcommittee Staff

The Chairwoman and Ranking Minority Member of the full committee shall endeavor to ensure that sufficient committee staff is made available to each subcommittee to carry out its responsibilities under the rules of the committee.

13. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall hold such meetings and hearings after approval of the Chairwoman of the full committee. Meetings and hearings of subcommittees shall not be scheduled to occur simultaneously with meetings or hearings of the full committee.

14. RECORDS

The committee shall keep a complete record of all actions, which shall include a record of the votes on any question on which a record vote is demanded. The result of each subcommittee record vote, together with a description of the matter voted upon, shall promptly be made available to the full committee. A record of such votes shall be made available for inspection by the public at reasonable times in the offices of the committee.

The committee shall keep a complete record of all committee and subcommittee activity which, in the case of any meeting or hearing transcript, shall include a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks involved.

The records of the committee at the National Archives and Records Administration shall be made available in accordance with rule VII of the Rules of

the House. The Chairwoman of the full committee shall notify the Ranking Minority Member of the full committee of any decision, pursuant to clause 3(b)(3) or clause 4(b) of rule VII of the House, to withhold a record otherwise available, and the matter shall be presented to the committee for a determination of the written request of any member of the committee.

15. ACCESS TO CLASSIFIED OR SENSITIVE INFORMATION

Access to classified or sensitive information supplied to the committee and attendance at closed sessions of the committee or its subcommittees shall be limited to members and necessary committee staff and stenographic reporters who have appropriate security clearance when the Chairwoman determines that such access or attendance is essential to the functioning of the committee.

The procedures to be followed in granting access to those hearings, records, data, charts, and files of the committee which involve classified information or information deemed to be sensitive shall be as follows:

(A) Only Members of the House of Representatives and specifically designated committee staff of the Committee on Small Business may have access to such information.

(B) Members who desire to read materials that are in the possession of the committee should notify the clerk of the committee.

(C) The clerk will maintain an accurate access log, which identifies the circumstances surrounding access to the information, without revealing the material examined.

(D) If the material desired to be reviewed is material which the committee or subcommittee deems to be sensitive enough to require special handling, before receiving access to such information, individuals will be required to sign an access information sheet acknowledging such access and that the individual has read and understands the procedures under which access is being granted.

(E) Material provided for review under this rule shall not be removed from a specified room within the committee offices.

(F) Individuals reviewing materials under this rule shall make certain that the materials are returned to the proper custodian.

(G) No reproductions or recordings may be made of any portion of such materials.

(H) The contents of such information shall not be divulged to any person in any way, form, shape, or manner, and shall not be discussed with any person who has not received the information in an authorized manner.

(I) When not being examined in the manner described herein, such information will be kept in secure safes or locked file cabinets in the committee offices.

(J) These procedures only address access to information the committee or a subcommittee deems to be sensitive enough to require special treatment.

(K) If a member of the House of Representatives believes that certain sensitive information should not be restricted as to dissemination or use, the member may petition the committee or subcommittee to so rule. With respect to information and materials provided to the committee by the executive branch, the classification of information and materials as determined by the executive branch shall prevail unless affirmatively changed by the committee or the subcommittee involved, after consultation with the appropriate executive agencies.

(L) Other materials in the possession of the committee are to be handled in accordance with the normal practices and traditions of the committee.

16. OTHER PROCEDURES

The Chairwoman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

17. AMENDMENTS TO COMMITTEE RULES

The rules of the committee may be modified, amended or repealed by a majority of the members, at a meeting specifically called for such purpose, but only if written notice of the proposed change has been provided to each such member at least 3 days before the time of the meeting.

18. BUDGET AND TRAVEL

(A) From the amount provided to the Committee in the primary expense resolution adopted by the U.S. House of Representatives for the 111th Congress, the Chairwoman, after consultation with the Ranking Minority Member, shall designate one-third of the budget under the direction of the Ranking Minority Member for the purposes of minority staff, travel expenses of minority staff and members, and minority office expenses.

(B) The Chairwoman may authorize travel in connection with activities or subject matters under the general jurisdiction of the Committee.

(C)The Ranking Minority Member may authorize travel for any minority member or minority committee staff member in connection with activities or subject matters under the general jurisdiction of the Committee. Before such travel, there shall be submitted to the Chairwoman in writing the following at least seven calendar days prior:

- a) The purpose of the travel.
- b) The dates during which the travel is to occur.
- c) The names of the States or countries to be visited and the length of time spent in each.
- d) The names of members and staff of the committee participating in such travel.

At the conclusion of such travel, a summary of the activity and its accomplishments shall be provided to the Chairwoman within ten calendar days.

19. COMMITTEE WEBSITE

The Chairwoman shall maintain an official Committee website for the purpose of furthering the Committee's legislative and oversight responsibilities, including communicating information about the Committee's activities to Committee members and other Members of the House. The Ranking Minority Members may maintain a similar website for the same purpose, including communicating information about the activities of the minority to Committee members and other Members of the House.

20. VICE CHAIR

Pursuant to House Rules, the Chairwoman shall designate a member of the majority party to serve as Vice Chairman of the Committee. The Vice Chairman shall preside at any meeting or hearing during the temporary absence of the Chairwoman. The Chair also reserves the right to designate a committee member of the majority to serve as the Chair at a hearing or meeting.

21. AVAILABILITY OF RECORD VOTES ON THE COMMITTEE'S WEBSITE

In addition to any other requirement of these rules or the Rules of the House, the Chair shall make the record of the votes on any questions on which a record vote is demanded available on the Committee's website and for inspection by the public at reasonable times in the Offices of the Committee not later than 2 business days after such a vote is taken. Such record shall include a description of the amendment, motion, order, or other proposition, the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the name of those members of the committee present but not voting.

OVERSIGHT PLAN OF THE COMMITTEE ON SMALL BUSINESS FOR THE ONE
HUNDRED ELEVENTH CONGRESS

JANUARY 28, 2009. Approved by the Committee on Small Business.

Ms. VELAZQUEZ, from the Committee on Small Business, submitted to the Committee on Oversight and Government Reform and the Committee on House Administration the following

REPORT

Clause 2(d)(1) of rule X of the Rules of the House of Representatives for the 111th Congress requires each standing committee, not later than February 15th of the first session to adopt an oversight plan for the 111th Congress. The oversight plan must be submitted simultaneously to the Committee on Oversight and Government Reform and the Committee on House Administration.

The following agenda constitutes the oversight plan of the Committee on Small Business for the 111th Congress. It includes areas in which the Committee and its subcommittees expect to conduct oversight during this Congress, but does not preclude oversight or investigation of additional matters or programs as they arise. The Committee will consult, as appropriate, with other committees of the House that may share jurisdiction over any of the subjects listed below.

I. Oversight of the Small Business Administration.

A. Agency Management. Given the challenges facing the economy, the Committee will review the adequacy of the management structure, staffing levels, and financial resources of the agency's programs. The Committee will review new initiatives that have been implemented to respond to the economic slowdown and determine if further action or modification is warranted. With the decrease in SBA lending activity, the Committee will examine the role that the centralization of loan processes played, including the role that the facilities in Herndon, Virginia; Hazard, Kentucky; and Citrus Heights, California facilities have played. The Committee will also consider whether the commercial loan centers in Fresno, California and Little Rock, Arkansas are accomplishing their mission. The Committee will examine the role of SBA District Offices and whether they are meeting the needs of the local community. The Committee will review human resources policies and employee training programs, including SBA University, to determine their effect on agency morale and preparedness. The Committee will review the agency's cooperative agreements, partnerships and co-sponsorships. The Committee will continue to assess the adequacy of the agency's budgetary requests, financial management, and reporting goals.

- B. Lending Programs. With loan volumes declining substantially across SBA's lending programs, the Committee will review measures to reverse these trends. This will include examining alternatives to existing programs, as well as changing existing initiatives' structure. The Committee also will analyze the government's response to the recent economic downturn and financial crisis. This will include an evaluation of the impact of the Troubled Assets Relief Program (TARP) and the Capital Purchase Program (CPP) on SBA lending. In addition, the Committee will assess whether the Federal Reserve's Term Asset- Backed Securities Loan Facility (TALF) has assisted the secondary market for SBA loans. The Committee will also consider enhancing the 7(a) and Certified Development Company programs so that they are more effective in reaching borrowers unable to secure conventional loans. Additionally, the Committee will review the Microloan program with the intent of making it more affordable for borrowers and reducing barriers to its growth.
- C. Lender Oversight. The Committee will conduct hearings regarding the effectiveness of SBA's Office of Lender Oversight. This will include an assessment of the SBA's ability to monitor risk in its loan portfolio and the corrective actions it has taken to address undue risk. In addition, the Committee will also review the sufficiency of the budgetary resources for the lender oversight function. The Committee also will examine methods the SBA uses to manage risk in its loan portfolio and review the agency's policies and practices regarding its lending partners. Finally, the Committee will review the procedures to monitor the SBA's investment programs, including an assessment of actions taken to protect the government from loss due to capital impairment in these programs.
- D. Investment Programs. The Committee will conduct hearings regarding the availability of equity capital for small firms in the current economic environment. The Committee will consider proposals to modify and reestablish the SBIC participating securities program, with a focus on broadening early-stage investment in high-growth, job-creating industries. The Committee will continue to consider policy changes that will increase angel investment. Finally, the Committee will assess the New Markets Venture Capital program and how it can be strengthened to better fulfill its mission of making equity capital more available to low-income in urban and rural communities.
- E. Disaster Programs. The Committee will review the implementation of major statutory changes to the SBA's disaster loan and response programs made during the 110th Congress. This will include an assessment of the programs that: incorporate private sector lenders into the disaster loan program; improve the agency's response during and after disasters; enhance coordination among agency's responding to disasters; and provide for improved system resiliency. In addition, the Committee will review SBA's disaster simulations, planning

and preparations for large-scale disasters, and modifications made to the disaster cadre.

- F. **Entrepreneurial Development Programs.** The Committee will conduct hearings into how these programs can play a greater role in current economic downturn and assist struggling businesses and unemployed workers. This will include ensuring that these initiatives are focused on stimulating economic development, providing workforce retraining, and creating new jobs. The Committee also will evaluate the sufficiency of these programs' services to make certain that the needs of small businesses are being met. The Committee will examine proposals to establish a national incubator program that will provide serve as a catalyst for entrepreneurial growth in local communities.

- G. **Government Contracting and Business Development Programs.** The Committee will examine the SBA's contracting and business development to ensure that the agency's efforts are meeting the needs of small businesses. In particular, the Committee will review the 8(a) program, the Small Disadvantaged Business program, and the Women's Procurement program. With regard to the Women's Procurement Program, the Committee will continue to review the agency's implementation actions. The effectiveness of SBA's role in mitigating bundled contracts, including the hiring and retention of procurement center representatives, will be assessed. In light of reports raised by the SBA's Inspector General, the Committee will examine the role that Alaskan Native Corporation's play in the 8(a) program and ensure that the program's rules and regulations encourage minority small business growth and development. The Committee will continue to oversee the HUBZone program, including addressing the GAO's findings of fraud and insufficient program controls. The Committee will assess the Service-Disabled Veteran-Owned Procurement Program to ensure that it is being properly implemented. The Committee will examine recent decisions by the GAO (International Programs, Inc. B-400278; B-400308), as well as changes to the Federal Acquisition Regulations (FAR) that would effect the coordination of SBA's contracting and business development programs government-wide. The Committee will examine the SBA's Office of Size Standards to ensure that it has the resources and organization structure to effectively update size standards in a timely manner. With regard to the 7(j) program, the Committee will review the agency's process to determine awards under this authority. Finally, the Committee will review the SBA's actions to improve the accuracy of federal contracting databases that list eligibility and awards made to small businesses.

- H. **Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.** Building on the Committee's efforts to assess and reauthorize the SBIR and STTR programs during the 110th Congress, the Committee will consider proposals to strengthen and modernize the SBIR and

STTR programs. In order to further the most promising technologies and promote maximum job creation, the Committee will consider specific proposals to permit venture capital-backed companies to participate in the SBIR program.

- I. Office of Advocacy. The Committee will assess the policies of the Office of Advocacy and its capabilities to reduce regulatory burdens on small businesses.
- J. Veterans Corporation. The Committee will review the on-going activities of the National Veterans Business Development Corporation to determine whether the Corporation is serving as an effective advocate for veteran-owned businesses. In light of concerns that the Corporation is not meeting its obligation to veterans, the Committee will examine the Corporation's operation and performance to determine whether or not it should be replaced with a new entity. The Committee will examine the Corporation's relationship within the context of all federal programs designed to assist veterans, particularly those returning from Iraq and Afghanistan. The Committee also will evaluate the relationship between the SBA and the Corporation to identify whether the SBA is working cooperatively with the Corporation, or whether work is being unnecessarily replicated. The Committee will identify whether the Corporation's efforts at expanding and enhancing private funding options have been successful.

II. Agriculture.

- A. Implementation of Recent Agricultural Policy. The Committee will examine the impact of federal policies on family farms, ranchers, and rural small businesses. The Committee will provide an in-depth examination of the implementation of the 2008 Farm Bill and its impact on small entities. This will include an investigation of the policies' effects on the income, production costs, and prices received by small producers.
- B. Financial and Technical Assistance. The Committee will examine the impact of access to capital issues facing rural areas, farmers and agribusinesses. The Committee will evaluate federal programs that provide training, information, and networking resources to enhance entrepreneurial activity in these regions.
- C. Program Harmonization. The Committee will examine the SBA and Department of Agriculture economic development programs to determine how the two agencies can better coordinate their missions to assist small business owners, both through program harmonization and streamlined communications.
- D. Renewable fuels. The Committee will examine the role of small businesses in renewable fuel development and production. The Committee will assess the

operational needs of small farmers seeking to produce alternative fuel products.

- E. Climate Change. The Committee will examine how farmers and small businesses can contribute to climate change mitigation, and how they can minimize their climate impact in a way that will positively affect their revenues and profitability.
- F. Food Prices. The Committee will examine how over the course of the last months of 2008, commodity prices have dramatically declined, yet retail food prices remain high. The Committee will examine further all responses to the food price issue, including their impact on American farmers, consumers and small businesses.
- G. Value Added Products. The Committee will increase oversight of financing and technical assistance programs that aid small farmers' expansion into emerging niche agricultural markets, including organic products. The Committee will evaluate the operational needs of small farmers working to add value to outputs and maintain competitiveness in the changing marketplace.
- H. Rural Economic Development. The Committee will oversee federal activities to spur economic development in rural communities. The Committee will conduct hearings on the physical and financial infrastructure needed to maintain and grow small rural businesses, including access to air transportation.
- I. Competition Problems in Rail Industry and Impact on Rural Areas. The Committee will examine competition problems facing small firms as related to the rail industry and rail rates, and identify anticompetitive barriers to entry. The Committee will identify antitrust policies that increase competition and foster market conditions, thus allowing for more competition in terms of price and availability for rural areas.

III. Energy.

- A. Energy Bill Provisions. The 110th Congress passed sweeping energy legislation signed by the President (P.L. 110-140 December 19, 2007) that included Title XII, entitled "Small Business Energy Programs." The Committee will play an active oversight role as these provisions are implemented, especially with respect to the adequacy of the programs for small firms.

- B. Energy Efficiency. The Committee will investigate methods to increase energy efficiency and improve resource conservation practices for small businesses. The Committee will conduct oversight of federal initiatives to streamline business operations and reduce energy costs for small firms.
- C. Renewable Energy Incentives. The Committee will examine expiring renewable energy tax incentives. This will include a review of how important these policies have been in stimulating small business commerce within the sectors of renewable biofuels, wind, solar, and geothermal.
- D. Energy Prices. The Committee will conduct hearings on the effect of volatile energy and petroleum prices on small businesses, particularly fuel intensive sectors, such as farming, transportation, and those that use petroleum products as feedstock.

IV. Financial Services and Credit Availability.

- A. Financial Crisis. The Committee will review the impact that legislation aimed at stabilizing the U.S. financial markets has had on small financial firms and other small businesses. This will include an assessment of the Troubled Asset Relief Program (TARP) and the Capital Purchase Program (CPP). In addition, the Committee will review several actions taken by the Federal Reserve, including the establishment of the Term Asset- Backed Securities Loan Facility (TALF) and its effect on commercial lending.
- B. Emerging Economic Trends. The Committee will continue to examine ongoing economic conditions stemming from the recession that began in August of 2008, and their effect on small firms' ability to grow, create jobs, and access capital.
- C. Credit Markets. The Committee will review conditions in the national credit markets as they relate to small business lending and investment and will oversee federal efforts to ensure that those markets function properly.
- D. Secondary Market. The Committee will examine the role that the secondary market plays in small business finance. This will include a review of asset-securitization procedures and policies in place for commercial lending. The Committee will consider whether the secondary market for small business loans can be enhanced through standardization, credit enhancements, or making performance data more readily available.
- E. Costs of Sarbanes-Oxley Compliance. In 2009, the Security and Exchange Commission (SEC) will release data on the costs small public companies would face if they were required to comply with Section 404 of the Sarbanes-Oxley Act. The Committee will evaluate the findings of the SEC and will assess the affect of SOX 404 compliance costs on small firms.

- F. **Venture Capital.** The Committee will conduct oversight hearings into trends in venture capital investment, including whether start-up firms are securing such funding. The Committee also will consider declining initial public offering activity and its impact of venture capital financing.
 - G. **Capital Formation.** The Committee will review barriers that impede small businesses' access to the capital markets, including obstacles to initial public offerings and the public equity markets. This will include a review of how SEC rules, regulations, and forms affect small companies and whether SEC regulation S-B is sufficiently tailored to the needs of small issuers.
 - H. **Middle Market Financing.** The Committee will examine whether middle market companies are able to secure sufficient and cost-effective financial resources. These companies, which generate between \$5 and \$250 million in annual revenue, contribute approximately 70 percent toward the nation's gross national product. The financing needs of these companies are often well beyond the capacity of SBA's programs and, given the current economic downturn, many of these companies are left without access to affordable credit and capital.
 - I. **Role of Small Lenders.** The Committee will assess the impact of consolidation and attrition in the financial services industry on small lenders and small business borrowers. In addition, the Committee will review industry trends and regulatory developments that may reduce the availability of financing to small firms.
 - J. **Insurance.** The Committee will evaluate the use of insurance products by small businesses, including property/casualty lines. The Committee also will assess the impact of federal insurance reforms on small insurers and small businesses. Finally, the Committee will examine the impact of federal regulatory efforts on small insurance companies and insurance brokers.
- V. **Health Care.**
- A. **Access to Affordable Health Coverage.** The Committee will evaluate a number of health care policies designed to expand access to affordable health insurance through small employers. The Committee will look at proposed federal changes to give small employers greater options for coverage. The Committee will examine current and proposed state initiatives to promote coverage, and will evaluate the impact of these reforms on small employers in those markets. The Committee will examine the impact of these changes on the small-group health insurance market.
 - B. **Expanding Available Options for Small Employers to Purchase Health Insurance.** The Committee will examine options for removing barriers to

affordable small employer coverage. The Committee will conduct hearings to review new and emerging policies to increase access to affordable health care coverage. These possible changes include, but are not limited to, increasing pooling mechanisms for small businesses, reinsurance models, and ERISA reforms.

- C. **Tax Credits to Increase Health Coverage.** The Committee will analyze the intersection of tax policy and health care in the 111th Congress as health care reform becomes not only a national but also a small business priority. The Committee will examine whether the current system, which allows an employer deduction for health insurance premiums, is the best way to make health care affordable for the millions of small business employers and small business employees that currently are without any coverage. The Committee will examine reform options, including but not limited to: capping the deduction on employer benefits, converting the deduction into a fixed refundable credit for the small business employer, converting the deduction into a fixed, refundable credit for the small business employee, or some other reform option.
- D. **Health IT Adoption.** The Committee will conduct hearings to evaluate the economic benefits derived through the adoption of a uniform, secure, interoperable health information technology infrastructure (Health IT) by small healthcare groups – i.e. physicians, vendors and other providers. In particular, the Committee will consider the degree to which Health IT creates market efficiencies and whether those advantages will exist for small groups. The Committee will evaluate the challenges of Health IT adoption.
- E. **Health Care Consolidation.** The Committee will examine the impact of consolidation in the health care industry on the cost and availability of care to small firms. The Committee will assess the effects of health insurer consolidation on healthcare providers. The Committee will examine the need to revise the FTC/DOJ Joint Health Care Guidelines to reflect increased consolidation health care markets, and to ensure that the Guidelines are not placing physicians on an unlevel playing field.
- F. **CMS Healthcare Provider Compensation.** The Committee will examine federal reimbursement of healthcare providers and the effect that such reimbursement decisions have on non-Medicare/Medicaid insurer reimbursement to physicians and other healthcare providers. This will provide a particular focus of the impact on small healthcare practices.
- G. **CMS Regulation.** The Committee will evaluate CMS regulations that affect the business operation of small healthcare providers. In particular, the Committee will examine CMS' regulatory structure and consider how current regulations may be enhanced to improve the business environment of healthcare providers.

VI. International Trade.

- A. Domestic and International Trade Policies. The Committee will hold hearings to identify measures for inclusion in trade agreements that reflect the interests of small domestic businesses, particularly facilitation measures and sector-specific preferences. The Committee also will work to increase the representation of small business interests in the negotiation of new trade agreements and enforcement of existing agreements and treaties. This will include an effort to expand the focus on small business interests among federal trade policymakers. Additionally, the Committee will identify domestic policies compliant with international regulations, such as export loans, which help ensure the global competitiveness of small United States businesses.
- B. Trade and Employment. The Committee will examine the impact of trade policies on job losses among small firms. This will include a review of trade agreements, regulations, and procedures that adversely effect small firms' ability to create and retain domestic jobs.
- C. Trade Promotion Programs. The Committee will hold oversight hearings to measure the performance of federal trade programs, which seek to reduce small firms' costs of expanding into international markets, including those administered by the SBA, Departments of Commerce and Agriculture, the Export-Import Bank, and the Overseas Private Investment Corporation. The Committee also will evaluate the implementation of the National Export Promotion Strategy, particularly its focus on small businesses. Further, the Committee will highlight components of the country's infrastructure that facilitate efficient cross-border trade, but are in need of improvements such as ports, roads, and airport facilities.
- D. Regulations Affecting Trade. The Committee will assess whether existing international trade sanctions effectively prevent unfair trade practices such as theft of intellectual property or dumping of products below the cost of production. This evaluation will incorporate an examination of mechanisms to increase small businesses' access to relief from unfair trade practices through trade remedy programs. Finally, the Committee will work with the Executive Branch to reduce regulations that serve as barriers to small businesses engaged in importing and exporting.
- E. Trade Data and Trends. The Committee will evaluate the availability and quality of data measuring the contributions to the nation's trade performance by small businesses, including information gathered by the Department of Commerce and the United States Trade Representative. This will include an effort to examine the data compiled by federal agencies, indicating the output by small firms receiving trade-related assistance.

VII. Procurement.

- A. Troubled Asset Relief Program (TARP). The Committee will examine the impact of waiving certain provisions of the Federal Acquisition Regulation on small business in the implementation of the Emergency Economic Stabilization Act of 2008. The Committee will examine measures taken by the Department of Treasury to utilize small businesses, including minority-owned and women-owned businesses as asset managers, consultants, and servicers for the TARP.
- B. Omnibus Economic Stimulus. The Committee will conduct oversight of any economic stimulus legislation to determine its impact of small businesses. This will include an examination of the number and amount of federal contracts awarded to small businesses and an analysis of the job creation benefits of such procurement actions.
- C. Implementation of National Defense Authorization Act of 2008. The Committee will review the impact of the “enhanced competition” and new bid protest provisions of this Act on small firms. This will include an investigation of whether these new authorities are benefiting small firms, particularly in defense-related industries.
- D. Application of Small Business Set-Asides for Task and Delivery Orders under Multiple Award Contracts. The Committee will examine recent GAO decisions (including Delex Systems, Inc., B-400403) that determined that federal small business set-asides and “the rule of two” apply to task and delivery order under multiple award schedule contracts. The Committee will examine efforts taken by agencies to understand if such set-asides are being applied consistently government-wide.
- E. Use of Indefinite Delivery/Indefinite Quantity (ID/IQ) versus Sealed Bids for Construction Project Awards. The Committee will investigate whether federal agencies are increasingly relying on ID/IQ solicitations, instead of sealed bids, to award construction projects. The Committee will use this examination to determine whether such a trend promotes competition, particularly for smaller firms in construction and related industries.
- F. Emergency Contracting Authority. The Committee will review the federal government’s emergency contracting practices, such as the use of no-bid contracts and the raising of the micropurchase threshold, to ensure that maximum competition is achieved in such circumstances, particularly with regard to small business participation.

- G. **Contract Bundling.** The practice of contract bundling displaces small businesses from the federal marketplace. The Committee will continue to monitor the use of “bundled” contracts, and ensure that regulations to reduce contract bundling are being followed. The Committee will continue to work to “unbundle” contracts where appropriate.
- H. **Federal Contracting Goal.** The Committee will review federal agencies performance in meeting annual contracting goals. In order to foster greater small business participation in the federal marketplace, the Committee will seek to work with agencies that have historically underperformed in meeting their contracting goals.
- I. **Agency Miscounting of Contracts.** The Committee will investigate the sufficiency of actions taken by the SBA, the FAR Council, and the Office of Federal Procurement Policy to ensure that contract awards to small firms are accurately enumerated. The continued reliance by the Executive Branch on an inaccurate data collection system overstates agency compliance with small business contracting goals – a situation that has yet to be rectified. The Committee will continue to review whether processes, including the usage of the Federal Procurement Data System, are appropriate to provide an accurate and transparent accounting of small business participation in the federal procurement market.

VIII. Regulations.

- A. The Committee will examine federal agency rules and regulations, as well consider proposals to simplify them and ensure that small businesses are not subject to undue regulatory burdens.
- B. The Committee will identify regulations that impose unnecessary barriers to competitive market entry by small businesses and place small businesses at a competitive disadvantage with respect to larger competitors.
- C. The Committee will identify regulations that fail to minimize recordkeeping and reporting requirements, including the elimination of duplicative requirements as required by the Paperwork Reduction Act.
- D. The Committee will assess whether small businesses are provided sufficient compliance assistance, including small entity compliance guides issued by agencies as mandated by the Small Business Regulatory Enforcement Fairness Act.
- E. The Committee will examine the agency process for promulgating rules and regulations including: the adequacy of an agency's compliance with the Regulatory Flexibility Act; the adequacy of an agency's compliance with the Paperwork Reduction Act; whether the agency minimized burdens and

maximized benefits for small businesses while achieving its statutory and regulatory objectives; whether the agency fully considered alternatives to the regulations that would lessen burdens on small firms; and, whether small businesses have been provided sufficient opportunity to comment and provide input into the development of regulations.

- F. The Committee will examine the need to amend and further strengthen the Regulatory Flexibility Act and the Paperwork Reduction Act to improve agency compliance with the laws and ensure that small businesses are not unnecessarily burdened by regulations.

IX. Taxation Issues.

- A. Tax Incentives and Measures to Stimulate Economy. The Committee will hold hearings on the state of the U.S. economy and how tax policy geared towards small businesses can generate an economic recovery. The Committee will focus on tax stimulus items to mitigate the negative effects of the economic slowdown. This will include an examination of the concerns of specific industries such as housing, manufacturing, technology, travel, and retail, where small businesses play a dominant role. The Committee will highlight regulatory and legislative efforts that increase consumption, hiring, retention, and investment by and for small businesses.
- B. Current State of the Tax Code. Nearly all aspects of taxation, including the current taxation of individual income, capital gains, estate taxes, and dividends, are set to change in 2010. As such, the committee will analyze, keeping fiscal considerations in mind, whether a renewal, modification, or expiration of some or all of these tax policy items best promotes development and growth of the economy and small business. Finally, the Committee will examine if this is the appropriate time to enact fundamental tax reform that includes a rationalization of deductions, exclusion, and credits, and an integrated tax system, which would promote small business expansion.
- C. Investment in Small Businesses and Tax Policy. The Committee will study tax proposals that encourage investments from outside sources while also analyzing tax initiatives that encourage small firms to expand their businesses. This includes not only scrutiny of existing incentives, such as the Investment Tax Credit, and New Markets Tax Credit, but also new tax credits, deductions or preferences that would encourage investors to directly invest in small business start-ups. Additionally, the Committee will the examine other specific tax relief, such as Section 179 expensing provisions, accelerated bonus depreciation provisions, and hiring and retention tax credits that encourage small firms to expand their workforce and grow their businesses.
- D. Alternative Minimum Tax. The Committee will examine ways to reform the alternative minimum tax to provide tax relief for small businesses. The

Committee will review proposed changes and the budgetary costs of making such modifications.

- E. Tax Modernization. The last major reform of the tax code occurred in 1986, and changes made since have occurred in a piecemeal fashion. Therefore, the Committee will investigate obsolete provisions in the tax code that need to be modernized to help small businesses. The Committee will identify code provisions that need to be updated on account of inflation, altered business realities, or inequitable treatment due to the small business's choice of entity.
 - F. Tax Simplification and Fairness. The Committee will explore the growing complexity of the United States tax system and its adverse impact on small employers. Also, because the tax system is based on voluntary compliance, the Committee will examine the myriad of complex and unclear tax rules that cause frequent errors by small businesses and exacerbate opportunities for noncompliance. Finally, the Committee also will examine inequities within the tax code that treat smaller businesses differently from their larger counterparts. The Committee will focus on proposals and make recommendations that ensure that tax policy is fair and reasonable for small businesses.
 - G. Three Percent Withholding Requirement and Potential Impact on Small Businesses. A three percent withholding measure was added to the Tax Increase Prevention and Reconciliation Act of 2005. This measure, which will become effective in 2011, will require that all federal payments have three percent withheld for future taxes. The Committee will examine the potential negative impact this provision could have on the cash flow for small firms who perform federal contracts. The Committee will review whether this could hinder the competitiveness of small businesses.
 - H. Retirement and Pension Benefits. The Committee will analyze tax code restructuring to enhance the ability of small businesses to offer retirement benefits through lowering their costs. Any such restructuring also will examine mechanisms to maximize employee enrollment. In performing this assessment, the Committee necessarily will investigate why such plans are outdated given current economic conditions, the morass of regulatory red-tape that prevents nearly 70 percent of small businesses from offering retirement plans. The Committee will explore what can be done to minimize the impact of burdensome pension plans and regulations so that small businesses can find and retain quality employees.
- X. Technology and Innovation.
- A. Broadband Deployment. The Committee will assess the impact and conduct oversight of proposals to spur broadband deployment. This will include a review of the benefit from efforts to expand access to broadband services.

The Committee will review the concerns of rural areas that are “underserved” in terms of broadband coverage. It will examine the issue of how increased broadband speed affects the potential for further economic growth.

- B. Immediate Job Creation with Broadband Deployment. The Committee will investigate and oversee efforts to use public funds to encourage broadband deployment as an economic stimulus. This will include an assessment of the potential for immediate job creation with small telecommunications companies. In addition, the Committee will review how rapid deployment spurs growth.
- C. Universal Service Fund. The Committee will investigate the economic benefits of increasing the speed of broadband and proposals for reform of the Universal Service Fund. The Committee will assess whether such action could increase costs borne by providers or consumers.
- D. Broadband Adoption. The Committee will investigate the benefits of increasing the affordability of high-speed access to the Internet. The Committee will consider an array of potential government-led incentives designed to encourage consumers, including small firms, to adopt broadband services.
- E. Openness and Networks. The Committee will seek to ensure that small firms, including device manufacturers, software application providers and online service providers, have open access to the public and private networks of the Internet. The Committee will also examine proposals that limit the necessary network management that helps ensure that all consumers, including small businesses, benefit from high-speed Internet access.
- F. Patent Reform. The Committee will examine the cost and benefits of proposed reforms to the U.S. patent system. In particular, the Committee will seek to evaluate the effect of patent reform legislation on the small businesses that apply for, receive and enforce patents. It will also assess the impact of reforms on those small companies that manufacture innovative products, license patented technologies, and defend themselves in alleged patent infringement cases.
- G. Cybersecurity. The Committee will monitor any efforts to create onerous or questionable cybersecurity mandates on private industry in an attempt to monitor and protect the Internet. The Committee will ensure that the concerns of small firms are raised. It will also assess the current government-wide National Cybersecurity Initiative to ensure small technology firms have adequate contracting opportunities.
- H. Online Advertising. The Committee will examine the increasing importance of online marketing strategies to many successful small businesses and the

concerns some have raised about consumer privacy. The Committee will also consider challenges some small firms have driving traffic to their website and converting on-line advertising into sales.

- I. Proposed Changes to Internet Domains. The Committee will investigate a proposal by the Internet Corporation for Assigned Names and Numbers (ICANN) to introduce new generic top-level domains (gTLDs). The proposed change is likely to compel many small businesses to invest in defensive domain registrations but may also provide new opportunities for some small firms. ICANN is expected to release the final gTLD in 2009 and the Committee will consider the costs and benefits of the proposal.
- J. Small Business Adoption of New Technology Tools. The Committee will examine the success with which small firms are utilizing new technologies and services (including social networking, so-called “cloud computing” services) to make their companies more efficient and competitive. The Committee will consider the challenges some small businesses face with respect to the effective adoption of these technologies and services.

XI. Transportation and Infrastructure.

- A. The Committee will conduct oversight hearings on the impact of transportation and infrastructure legislation and associated project funding on small businesses. This will include examining how small contractors are utilized in these projects, as well as the impact on local businesses that are dependent on transportation networks.

XII. Veteran’s Entrepreneurship.

- A. Customized Assistance. The Committee will hold hearings to ensure federal entrepreneurial and capital assistance programs accommodate the growing veteran population. This will include evaluating the programs to ensure that services address the specialized needs of current veterans, including service disabled, women, and Reservists/Guardsman.
- B. Federal Veteran Procurement Policy. The Committee will review federal actions to assist veteran entrepreneurs and ensure that they are consistent with federal small business policy. This will include a review of regulations establishing agency-specific veteran contracting initiatives.
- C. Program Performance. The Committee will examine the effectiveness of federal programs that seek to improve veterans’ access to markets and training by monitoring the output of veterans receiving entrepreneurial assistance. The Committee also will work with Executive Branch officials to ensure veterans have improved access to local business development facilities.

- D. Transition Services. The Committee will identify current transition assistance needs of separating service members and those experiencing ongoing deployments, such as Reservists, to help them apply skills gained in the service to the private sector. This will include working with administration officials to ensure that federal agencies, including, but not limited to, the SBA, and the Departments of Defense and Veterans Affairs, prepare service members with resources to initiate entrepreneurial enterprises upon separation from the military.
- E. Federal Coordination and Centralization. The Committee will examine whether the federal government is sufficiently coordinating activities and allocating resources appropriately with regard to veteran entrepreneurship activities and initiatives. In addition, the Committee will investigate whether a government-wide office should be established to better facilitate the provision of services to veteran entrepreneur.

XIII. Workforce Issues.

- A. Green Jobs. As small firms combat climate change by implementing renewable energy strategies from wind, solar, and geothermal to the development of more energy efficient heating systems, the Committee will have the opportunity to consider and evaluate green jobs and public policies that affect potential growth. The Committee also will evaluate needs for more workforce training.
- B. Technology Workforce. The Committee will investigate the impact of government programs and initiatives on small technology companies' ability to hire and retain the scientists, researchers and engineers these companies need to succeed. The Committee will examine the efficacy of public-private partnerships aimed at strengthening education and training for American students and workers in subjects related to science, technology, engineering and math and will consider mechanisms that increase small firm participation in such initiatives. The Committee also will investigate the potential benefits to small firms associated with increasing the annual cap on H-1B visas, reforming the process by which employment visas are awarded, and permitting the recapture of used green cards.
- C. Visa System. The Committee will assess whether the existing visa system is meeting the workforce needs of small firms, and how it is affecting their ability to compete in a global marketplace. The Committee will examine suggestions to improve the visa system that benefits small firms.

