

**REBUILDING AMERICA: SMALL BUSINESS
PERSPECTIVE**

HEARING
BEFORE THE
COMMITTEE ON SMALL BUSINESS
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HOUSE OF REPRESENTATIVES
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Questions for the Record:

None.

Answers for the Record:

None.

Additional Material for the Record:

None.

REBUILDING AMERICA: SMALL BUSINESS PERSPECTIVE

WEDNESDAY, MARCH 6, 2019

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

The committee met, pursuant to call, at 11:01 a.m., in Room 2360, Rayburn House Office Building. Hon. Nydia Velázquez [chairwoman of the Committee] presiding.

Present: Representatives Velázquez, Finkenauer, Kim, Davids, Golden, Veasey, Evans, Espaillat, Delgado, Houlahan, Craig, Chabot, Balderson, Hern, Hagedorn, Stauber, Stauber, Burchett, and Joyce.

Chairwoman VELÁZQUEZ. Good morning. The committee will come to order.

I want to thank everyone for joining us this morning, and I want to especially thank the witnesses for being here today.

I would like to welcome Ms. Angie Craig from Minnesota to our committee. Her experience as a small business investor and the former head of Global HR for a major Minnesota manufacturer brings a unique perspective to the issues important to Main Street businesses all over the nation. Welcome.

Whether it is the ports we rely upon to transport our goods to the utility systems that power our factories, maintaining America's infrastructure is fundamental to a robust economy and to the nation's competitiveness.

The topic of infrastructure is vast, encompassing networks of highways, bridges, and waterways that span thousands of miles across America.

As a nation, we have a proud legacy of pushing the boundaries of innovation. Historically, America's robust infrastructure network has fostered strong economies and allowed us to be both competitive and efficient. Today, we have built telecommunications and broadband systems that connect us in a matter of seconds.

However, by many measures we are failing to keep up with the growing demands of our modern society. Whether it is the high-speed internet connection that has not yet reached our rural communities to the outdated and crumbling tunnels that connect our cities, decades of neglect and lackluster investments have allowed our infrastructure to fall apart and fall behind other advanced economies.

Let us be clear, this has all come at a cost to commerce and small businesses. That is why we must now address this issue head

on. Today, we are here to think big about the countless ways in which our infrastructure impacts the small business sector.

We know that investments in infrastructure promote future economic opportunities for American workers and small businesses. In fact, 61 percent of the jobs directly created by infrastructure spending would be in the construction sector, 12 percent in the manufacturing sector, and 7 percent in retail trade. That is 80 percent in these three sectors alone.

Most importantly, 90 percent of these jobs are good paying middle-class jobs, many of which are supported by our nation's small businesses. From construction to engineering to architecture, small businesses are critical to maintaining and expanding our infrastructure systems.

And yet, we must level the playing field to ensure that any federal infrastructure plan includes opportunities for small business owners, and particularly for women- and minority-owned businesses.

All of us have an obligation to ensure there is adequate federal infrastructure investment and guarantee our nation's long-term competitiveness in the global economy. Accordingly, a robust and well-planned investment in our infrastructure should benefit small businesses, both as end users of these networks and by creating business opportunities for them.

It is my hope that today's discussion can help identify strategies for accomplishing that goal. With that, I thank each of the witnesses for joining us today and I look forward to your testimony.

I would like to yield now to the Ranking Member, Mr. Chabot, for his opening statement.

Mr. CHABOT. Thank you, Madam Chairwoman.

During my tenure as both the Ranking Member now and in the past as Chair of this Committee, I know that we have heard from small businesses from all across the country in this very room about the importance of repairing our nation's infrastructure and how important it is to those small businesses and to many others across our country. And I am glad that we are continuing that conversation here today. So I commend you for doing that.

This is an issue that stretches across every state and across every congressional district. I am willing to bet that ever member on this side of the aisle and on the other side of the aisle can think of at least one urgent infrastructure project in his or her district that they would love to have fixed today. I know that I can, and one of the witnesses here is going to be addressing that shortly.

There are many important projects in Ohio, but one I can think about in particular is the Brent Spence Bridge. This bridge connects Ohio to Kentucky and carries an estimated 172,000 vehicles on Interstates 71 and 75 every day, more than double its intended capacity. Today it is labeled functionally obsolete by the U.S. Department of Transportation.

My district's challenge, however, is not unique. Currently, an estimated 20 percent of Federal roads provide poor ride quality, and 25 percent of our Nation's bridges are functionally obsolete as is the Brent Spence Bridge. On average, the typical American commuter loses 42 hours of valuable, productive time each year to traffic alone, so that is essentially an entire work week just sitting in

traffic. Some districts obviously it is harder than others. If you are in Washington, D.C., or you are in New York, or probably a lot of districts in California, it is particularly bad, but it happens all over the country. I am sure the Chairwoman has experienced this a time or two in her home district in Brooklyn or Lower Manhattan. So we can all obviously relate to this.

At this Committee, we have learned in past hearings another issue, broadband deployment, is also a crucial part of our nation's infrastructure, particularly for entrepreneurs in rural areas. I know that our colleague from Mississippi, Trent Kelly has brought that up to me a number of times. As business owners continue to move to a more global marketplace, access to broadband is crucial to keeping small businesses competitive. Unfortunately, too many small businesses still lack access to broadband internet service considered fast by the FCC.

As with any major project, it is critical that small businesses are not left out of the conversation. With small businesses creating about 70 percent of the new jobs in the economy every year now, they will be a driving force in revitalizing our Nation's infrastructure system. We also must be sure to engage state and local governments. States and localities know the needs of their communities best, which is why any Federal legislation created by this Congress must empower local governments to be leaders in their communities.

I look forward to hearing from our witness panel here today, if I ever stop talking, and their ideas for moving our Nation's infrastructure into the 21st century.

So thank you, Madam Chair, for holding this hearing, and I yield back my time.

Chairwoman VELÁZQUEZ. Thank you, Mr. Chabot. The gentleman yields back.

And if any committee members have an opening statement prepared, we would ask that they be submitted for the record.

I would like to take a minute to explain the timing rules. Each witness gets 5 minutes to testify and the members get 5 minutes for questioning. There is a lighting system to assist you. The green light will be on when you begin, and the yellow light comes on when you have 1 minute remaining. The red light comes on when you are out of time, and we ask that you stay within the timeframe to the best of your ability.

I now would like to introduce our witnesses.

Our first witness is Ms. Terri Williams. Ms. Williams serves as the Director of the University of Texas at San Antonio Institute for Economic Development Procurement Technical Assistance Center. As director, she provides direction, management, and oversight as part of the UTSA Institute for Economic Development. The program provides counseling, training, energy audits, and human resource sustainable business and other support services to small businesses. I welcome you.

Our second witness is Mr. Tim Donovan. Tim Donovan is the Senior Vice President of Legislative Affairs for the Competitive Carriers Association, the nation's leading association for competitive wireless providers and stakeholders across the country. In this capacity he leads the association's legislative advocacy before pol-

icymakers on issues impacting the competitive wireless community, including roaming, universal service, spectrum policy, device availability, broadband policy, and others.

Our third witness today is Ms. Roseline Bougher. Ms. Bougher is the president of A.D. Marble, a woman-founded, environmental and engineering firm based in Pennsylvania. Ms. Bougher is responsible for the functions and operations of the company, including marketing, budgeting, building and maintaining client relationships, and the development of employees. Raised in San Juan, Puerto Rico, Roseline went on to attend Cornell University and NOVA Southeastern University in Fort Lauderdale. Welcome.

And now I yield to our Ranking Member, Mr. Chabot, to introduce our final witness.

Mr. CHABOT. Thank you, Madam Chair.

Our final witness today is The Honorable Kris Knochelmann, Judge Executive for Kenton County, Kentucky, which is just across the Ohio River, which is actually, by the way, mostly owned by Kentucky. And he is in the Northern Kentucky area. Judge Knochelmann also serves as the President of OKI, the Ohio Kentucky Indiana Regional Council of Governments, the organization that oversees all federal dollars spent on infrastructure in our region. He and his wife are also the owners of Schneller Plumbing, Heating, and Air, a small business founded all the way back in 1928. And we thank you for testifying today.

Chairwoman VELÁZQUEZ. Ms. Williams, you are recognized for 5 minutes.

STATEMENTS OF TERRI WILLIAMS, DIRECTOR, SBDC PROCUREMENT TECHNICAL ASSISTANCE CENTER; TIM DONOVAN, SENIOR VICE PRESIDENT, LEGISLATIVE AFFAIRS, COMPETITIVE CARRIERS ASSOCIATION; ROSELINE BOUGHER, PRESIDENT, A.D. MARBLE; KRIS KNOCHELMANN, JUDGE EXECUTIVE PRESIDENT, OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

STATEMENT OF TERRI WILLIAMS

Ms. WILLIAMS. Thank you so much.

Chairwoman Velázquez, Ranking Member Chabot, members of the Committee, good morning.

I have already been introduced, so I am going to in essence try to stick to my time.

Over the past 30 years, I have been involved in listening to the needs of small business owners and providing solutions. Today, key issues have been identified as infrastructure, broadband, cybersecurity, government contracting opportunities, and access to capital. My testimony is focused on these issues and some anecdotes of small business owners who continue to struggle toward success.

Small businesses continue to be the driving force of our Nation's economy. According to the most recent SBA Small Business Profile of 2018, 30.2 million businesses meet the definition of small, which accounts for 99.9 percent of all U.S. businesses. They also employ 58.9 million people, which accounts for 47.5 percent of total employees and are responsible for creating 1.9 million net new jobs.

Small businesses also hire 43 percent of all workers in the high-tech sector, and produce 13 times as many patents per employee as large firms in high-tech industries. However, this cannot continue to be sustained or increased without investment in infrastructure to help small businesses be competitive with their counterparts.

Broadband has become an essential tool for doing business. It is important for connecting with customers, working with suppliers, enabling remote access to employees, and improving operations. It is a critical component in competing locally and globally. According to a report of the State Broadband Initiative of New Jersey, in order for small businesses to adopt broadband, three areas have to be considered—availability, affordability, and adoption.

Availability must consider two important factors: Is the infrastructure to deliver broadband available and accessible at their location? Does the available broadband meet the security needs of the small business?

And then affordability must consider is there a need for upgrading the infrastructure or expanding it to the location? Is it affordable? Can the small business afford the technology, devices, equipment, applications needed to adopt the use of broadband into their operation and business? And can they afford to train or hire new staff for implementation?

Finally, adoption considers knowledge and how to adopt it into their business, effectively integrating it into their operations, and realizing the benefits. For many businesses in rural areas of the country, broadband is not an option which leaves them unable to comply with electronic submissions to register their business, submit a bid or proposal, receive payments, or meet data security requirements.

In an effort to address national security issues, the DoD has identified a need to increase the number of businesses who are resilient and compliant with cybersecurity requirements and decrease the vulnerability of the supply chain. Requirements are now included in many DoD acquisition documents for businesses to have a system security plan consistent with the National Institute of Standards and Technology (NIST). Unless small business owners are equipped with human and financial resources to comply with these standards, they will be left behind in the Federal contracting market.

In an effort to respond to this need, USTA has developed a Small Business Cybersecurity Training Academy for the purpose of helping small businesses develop a system security plan. However, this training does not provide relief to cover any necessary costs for equipment upgrades. As a result, small businesses are limited in government contracting as a primary contractor or vendor, as well as a subcontractor.

Over the past 30 years, Federal, state, and local government agencies have strategized at the request of small business owners to provide information and assistance in responding to requests for government contracting bids and proposals.

The remainder of my testimony speaks to access to capital as well, and we know that the support of small business financing mechanisms that relax total dependence on high credit scores and

lowers interest rates will help businesses be more competitive and infuse money back into their business.

So thank you for the opportunity to share this information, and I will be glad to answer any questions you may have.

Chairwoman VELAZQUEZ. Thank you, Ms. Williams.

Mr. Donovan, you are now recognized for 5 minutes.

STATEMENT OF TIM DONOVAN

Mr. DONOVAN. Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee, thank you for the opportunity to testify about the importance of broadband connectivity as Congress continues its work to revitalize our Nation's infrastructure.

CCA is the Nation's leading association for competitive wireless providers, representing nearly 100 carrier members, as well as vendors and suppliers. The vast majority of CCA members are small businesses or work closely with them. They invest in their hometowns, not only through providing wireless service, but also by employing their neighbors, sponsoring local events and hometown teams, and hosting community service events.

Robust broadband networks are vital infrastructure for the 21st century, particularly for small businesses and the consumers they serve. These businesses rely on connectivity to provide a digital storefront to reach customers in their communities and around the world. In addition to connecting with consumers, wireless services revolutionize how entire industries operate. From telehealth to precision agriculture, distance learning and the internet of things, these and other services are economic multipliers and job creators that depend on reliable broadband coverage.

While critical for today's mobile economy, the potential benefits and capabilities of next-generation and 5G networks will supercharge existing services and enable new technologies. The possibility of a fully connected world is both groundbreaking and exciting.

But this generational leap of technology and the very existence of 5G is not inevitable, particularly in rural America. While 5G buzz grabs headlines, too many rural areas and small businesses remain on the wrong side of a persistent digital divide. Decisions made by policymakers today can either launch innovation and economic growth or exacerbate insufficient access, leaving rural America behind. Small businesses depend on policies that preserve and expand wireless services.

To determine whether services are available, Congress must have reliable coverage maps. Unfortunately, based on your own experiences, member of this Committee know that coverage is frequently overstated, leaving consumers frustrated and small businesses lacking connectivity. This is a cornerstone issue which must be addressed.

In addition to developing reliable data, Congress should act on three key policy issues: funding, spectrum, and deployment challenges. First, additional funding will preserve and expand wireless broadband coverage. CCA commends the FCC for making support available through the Mobility Fund Phase II program. However, additional resources are necessary to ensure that rural areas have

access to reasonably comparable services as those provided in urban areas.

As Congress considers legislation to rebuild America's infrastructure, CCA strongly supports employing all policy options to advance deployment, including providing direct funding to build broadband infrastructure where private capital alone is not sufficient to support a business case for service.

Next, Spectrum is the invisible infrastructure for wireless service and the lifeblood of our industry. All carriers must have access to spectrum at low-, mid-, and high-frequency bands to provide the services their customers depend on and the capacity necessary to support innovative applications. As small businesses increasingly rely on wireless broadband connections, the demand for additional spectrum resources grows exponentially.

Finally, carriers must have certainty regarding the costs and time necessary to deploy towers, small cells, and the fiber required to backhaul tremendous amounts of data. Wireless services depend on this physical infrastructure. Smart policies to deploy, maintain, and upgrade these networks, are key components to both closing the digital divide and completing the generational upgrade to 5G.

While Congress and the FCC have taken important steps to streamline siting approval and permitting processes, additional work remains. It is important to underscore that these reforms need not pit wireless carriers against the municipalities and the states that they serve. Smart policies can create a win-win scenario that saves resources by eliminating unnecessary reviews for both carriers willing to invest in network deployments, as well as state and local government agencies seeking to upgrade services for their constituencies.

Modern wireless services will revolutionize how small businesses connect with their customers, while creating new jobs and allowing anyone to work from wherever there is a broadband connection. The services enabled by wireless broadband would not long ago be considered science fiction, but today's networks are making them a reality, improving opportunities for small businesses, and reducing their costs. 5G services promises an immediate and expansive impact on the lives of all Americans, but absent smart and swift action from policymakers to close the digital divide, those in rural areas will be sidelined from a connected future.

I appreciate this Committee's attention to ensuring that all small businesses have the national infrastructure in place to survive and thrive, and reliable broadband is an increasingly important component to achieving this goal.

Thank you for holding today's important hearing, and I welcome any questions you may have.

Chairwoman VELAZQUEZ. Thank you very much. I really appreciate that you are kindly sticking to the 5 minutes. Thank you, Mr. Donovan.

And now Ms. Bougher, you are recognized for 5 minutes.

STATEMENT OF ROSELINE BOUGHER

Ms. BOUGHER. Thank you, Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee.

I appreciate the opportunity to testify before you today. As Chairwoman Velázquez indicated, I am the president and CEO of A.D. Marble, an environmental and engineering firm with 50 employees across four offices in Pennsylvania and Maryland. Our headquarters are located in King of Prussia just outside Congresswoman Houlahan's district.

Our firm conducts natural resources, cultural resources, and engineering, environmental engineering services on a range of transportation, water, and site development projects. Our environmental services focus on the completion of NEPA clearances and the environmental permitting process.

I am here on behalf of the American Council of Engineering Companies (ACEC), the business association of the Nation's engineering industry. ACEC is a national federation of state and regional organizations representing more than 5,600 engineering firms and 600,000 engineers, surveyors, architects, and other specialists nationwide. Nearly three-fourths of ACEC members' firms are small businesses.

This is a timely hearing because we believe Congress has a unique opportunity this year to pass major infrastructure legislation to modernize the Nation's transportation, water, energy, and communications networks. Federal infrastructure programs are essential to small businesses. Most importantly, they provide resources in partnership with state and local governments who are directly responsible for maintaining and improving infrastructure systems.

These public agencies are a primary market for small engineering firms. For example, approximately 85 percent of my company's work comes from transportation clients in the state of Pennsylvania, Maryland, and Delaware. State and local agencies rely on consistent, multi-year Federal funding in order to plan and implement their projects. Without this funding, they can only undertake the most basic maintenance and short-term fixes and cannot effectively implement a long-range improvement plan that would unlock business opportunities for small firms.

Although it is not in the jurisdiction of this Committee, I would be remiss if I did not specifically mention the need to restore long-term solvency to the Highway Trust Fund. The user fees were last raised in 1993, and have lost over 40 percent of its purchasing power. More than \$140 billion has been transferred from the General Fund into the Highway Trust Fund since 2008 because of the failure to address systemic funding shortfalls with real revenue solutions. It is time for Congress to provide new sustainable revenue for service transportation programs.

Another advantage of infrastructure investment is that Federal funds are directly invested in physical assets that create a lasting benefit for the public and spur additional economic growth. In addition to the construction activities that provide local businesses with direct contracting opportunities, the flow down effect helps bolster other economic activity as well, such as service industry, retail, and manufacturing among others.

Conversely, as a small business leader and owner, I have seen how challenging the lack of infrastructure funding can be to our industry. It is more difficult for my firm to retain employees if there

is no work available. We cannot afford to keep employees that cannot bill to projects even when the lull may be short term. When there is no work, we must make quick and difficult decisions when it comes to personnel. This is a problem that affects engineering firms of all sizes but is particularly problematic for the smaller specialty firms like mine that lack the resources and markets that enable larger firms to keep their employees busy.

Lastly, on the issue of workforce development, I think it is important to note that we do not have enough engineers in this country. According to the most recent quarterly ACEC survey of company executives, more than one-third pointed to the lack of engineering talent as the greatest threat to their firm's success. As experienced senior staff are retiring at a rapid pace, we are not backfilling that gap with enough graduates in engineering. Firms of all sizes are fighting to attract and retain experienced engineers.

This national workforce challenge does not have a silver bullet solution. It involves a multi-faceted strategy, including improvements in K-12 STEM education, incentives for engineering students at the collegiate level, as well as worker retraining initiatives and increasing the number of employment-based visas for high-skilled workers.

On behalf of ACEC and the Nation's engineering industry, I want to thank this Committee once again for focusing attention on this important issue.

I would be happy to answer any questions.

Chairwoman VELAZQUEZ. Thank you, Ms. Bougher.

And Mr. Knochelmann, you are recognized for 5 minutes. Welcome.

STATEMENT OF THE HONORABLE KRIS KNOCHELMANN

Mr. KNOCHELMANN. Thank you, Madam Chairwoman and Committee members.

Good morning. As noted before, my name is Kris Knochelmann. I am a Kenton County, Kentucky judge executive and president of the OKI, the Ohio Kentucky Indiana Regional Council of Governments, an 180-member board. It is an honor to appear before you to discuss the vital importance of reliable transportation infrastructure on all businesses, particularly small business.

I am a small business owner. As you heard, our family business was started in 1928. My wife and I, by the way, with help of an SBA loan, acquired it in 2011, and by the grace of God, creative work of our team, our business growth has now gone to over 64 employees. We are located in greater Cincinnati with offices in Cincinnati, or in Ohio and in Kentucky.

All of us live in a global economy with trillions of transactions in millions of markets, driving commerce in every corner of the world. However, any accurate reading of data will show that almost all economies, and certainly the United States' economy, is driven by small business. In the United States, small business is the growth engine for jobs and critical to our place on the world economic stage. You know this. Small business encompasses 99.7 percent of United States employer firms; half of all employment; 60 percent of all new jobs; 98 percent of all exporting firms; and 46 percent of private sector output. And the list goes on.

As competitors in the world economy, all businesses, particularly small businesses, need to get their products to their customers in the most efficient way possible. The transmission of goods is dependent on adequate transportation infrastructure, particularly sound, effective roads, and bridges. Alarming, our country's transportation infrastructure is in such poor condition that it is stifling our economy.

The facts are frightful. And again, you know, this. Over 70,000 bridges are structurally deficient; 40 percent of the urban roads are congested. We waste \$160 billion due to congestion every year. And, the problem is not just economic; 30 percent of all accidents are the result of poor road conditions, and highway deaths in this country have risen to over 40,000 per year. The country's infrastructure network problem is so large, it is estimated it would take a trillion dollars just to bring it up to standard.

While the burden of our deteriorating infrastructure affects all businesses and their employees, it falls most heavily on small businesses. Small businesses, like mine, are least able to absorb the impacts of road delays on fuel costs and wasted time.

Small businesses, almost by definition, are closer to their customers than larger companies. The currency of small business is not only the American dollar but the trust I must have with my customers who live on our streets, in our communities, in my neighborhood, and around my region. If our employees are stuck in traffic and cannot be on time for appointments, my customers can easily find my competitors by pressing a button on their cell phones and getting them out there if they are down the street. If my fuel costs and other costs rise because of wasted time in traffic, I cannot just pass them on to unknown stockholders. My employees, my wife, and I bear the brunt of lost dollars due to poor infrastructure that we cannot reinvest in our community.

In my part of the country, we have one of the Nation's most critically needed infrastructure projects, the Brent Spence Bridge. Maybe you have heard of it.

The Brent Spence Bridge does cross the Ohio River at Cincinnati into my home county in Kentucky. However, it also connects Michigan to Miami and other points north to south because it is the lynchpin of the I-75 and I-71 trade corridors. The bridge was constructed to carry 80,000 vehicles a day, and now carries over 160,000 vehicles a day. And I can see them from my office. It was engineered over 50 years ago to handle 3,000 trucks per day and now carries over 30,000 trucks per day.

Years ago, the safety side lanes were moved, making a simple lane change a dangerous maneuver, and the cost of congestion caused by the bridge is approaching a billion dollars a year. The value of the Brent Spence Bridge to our Nation and to our region is obvious because over this bridge a billion of freight passes every day. The Brent Spence Bridge is the poster child of the aging and inadequate infrastructure in our country and Federal and state officials have been there regularly to use it as a backdrop to know that we have to make a change.

I would like to thank Congressman Chabot especially for all he has done over the years to put the needs of the Brent Spence Bridge front and center in front of Congress.

And if you look at the traffic on the Brent Spence Bridge, you will not only see hundreds of semitrailers, but you will see thousands of panel trucks and services vehicles just like mine. Every day, those small trucks carrying so much of our region's and Nation's economy fight thousands of hours of delay to get to our customers.

I thank this Committee's work on working on behalf of small business, and I want to let you know that I am here ready to help you in any way possible in the future. Thank you so much.

Chairwoman VELAZQUEZ. Thank you. We really appreciate all you have to share with us today.

I am going to recognize myself for 5 minutes. And I would like to start with Mr. Donovan.

For carriers both large and small, buildout in rural areas is often prohibitively expensive. What can be done to help carriers remain competitive in this area of doing possible infrastructure expansion?

Mr. DONOVAN. Thank you for that question, Chairwoman.

You are correct. In some places, after 30 years of building wireless networks, places that still are not served are likely because there is not a business case to build out those networks with private capital alone. The FCC does have the Universal Service Fund to provide some assistance, but that is not enough to close the size of the gap that we have. As you continue to work on an infrastructure package, we would strongly urge you to include dedicated funding to make sure that we can close the digital divide.

Chairwoman VELAZQUEZ. Other than costs that you discussed with us this morning, what are the largest barriers to rural broadband competition and access?

Mr. DONOVAN. So there are additional factors other than direct spending that can make builds more expensive or take more time. That includes the permitting process, moving through that, access to Federal lands is particularly important in rural areas as so much of rural areas is Federal lands. And so working with the relevant agencies to get approval so that carriers can have the confidence and the certainty to put their capital to work to build out these networks.

Chairwoman VELÁZQUEZ. Thank you.

Ms. Williams, as agencies continue to identify and prioritize cyber standards, it is very likely more procurement obligations will be implemented because the energy grid is related to our nation's infrastructure and also vulnerable to cyberattacks. What can we do to ensure small contractors are best situated to evolve to new cybersecurity guidelines?

Ms. WILLIAMS. Thank you for that question.

I think the best thing we can do is to keep conducting specific training events, outreach evenings, continue that one-on-one guidance for them because a lot of the perception is that they have to invest enormous amounts of financing and monies to get their systems secure. But not knowing or not having all of the information of things that they can do as far as training their employees, having adequate processes in place that they can do themselves is critical to them in complying with the requirements.

Chairwoman VELAZQUEZ. Do you feel that the Small Business Administration is doing enough in the area of education and pro-

viding information to small businesses so that we empower them with the information they need?

Ms. WILLIAMS. I think they have been doing a lot in providing specific webinars or specific, some training events. But again, what I have been finding is that the small businesses really need a lot of hand holding and that is where specific areas can help with that.

Chairwoman VELAZQUEZ. Thank you.

Ms. BOUGHER, energy and infrastructure are inherently linked together and existing electricity infrastructure is aging rapidly. Inarguably, the United States' energy problems are largely rooted in its crumbling infrastructure. An influx of investment must be considered in order to prevent additional weather events from exacerbating its delicate state as we saw in Puerto Rico after Hurricane Maria. What steps can we take now to modernize our energy grid and how can that further the growth of the small business sector?

Ms. BOUGHER. Thank you, Chairwoman.

I think it goes back to infrastructure and how are we utilizing the right modern, up-to-date, latest innovation? Are we really thinking ahead to try to create an infrastructure that can prevent or at least reduce a level of impact that these mostly, for the most part, natural disasters are bringing? There is very little we can do to control that and to control the intensity, but there is a lot more that we can do to create infrastructure systems that can withstand, if not reduce the level of impact.

Chairwoman VELAZQUEZ. Thank you. My time has expired, we will do a second round and Mr. Knochelmann, my first question will be to you.

Now I recognize the Ranking Member for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair.

Judge Knochelmann, I will go with you to begin with. And not surprisingly, I think I will talk about the Brent Spence Bridge.

Mr. KNOCHELMANN. Sure.

Mr. CHABOT. Could you, and we have talked about that. We have worked on it for a long time. And when I say "we," I mean all levels of government. I think we have gotten \$53 million so far. Most of that has gone into engineering studies, EPA studies, and kind of the preparations for it. But could you remind us again, and this not only affects the folks obviously in my district and the greater Cincinnati area, and all the way up to Michigan and probably into Canada as well, but also the folks on the other side of the Ohio River in Kentucky where you are at, but all the way down to Florida. Could you remind us what actually replacing the bridge, what the direct and indirect impacts would be to the communities in our area? And then if you want to touch on small businesses as well, how it would affect them since we are the Small Business Committee.

Mr. KNOCHELMANN. Sure. Well, and I think one important note, we think about this bridge in our region as being the replacement bridge. I think it is important for everyone to remember the existing plan, the design that has been done is to actually keep the existing bridge, not waste it, refurbish it, and add a companion bridge next to it. So the good news is past dollars of decades ago would not be wasted; they are just improved.

And then the access through that entire region, which is the project is estimated to be a \$2.5 billion project today, but it would actually include about a 15 to 20 mile swath of expressway that also needs to be expanded through that community, which obviously ties in one of our key airports, CVG in Cincinnati, which happens to be in Kentucky. Amazon Prime has just relocated or is going to be growing a \$1.5 billion project there for their regional——

Mr. CHABOT. And just to clarify that, we are not talking about taking away Ms. Velázquez's New York project.

Mr. KNOCHELMANN. No, absolutely not. This was well before——

Mr. CHABOT. Yeah, okay. I would not want to upset the Chair now since she is Chair now.

Mr. KNOCHELMANN. But Amazon has announced a large expansion at our airport in Cincinnati. And so we are talking about major infrastructure, national importance to get product and services, as well as the wonderful thing about what is happening with the project is small businesses are there to serve them. So we have small carriers in our area who are actually serving the future Amazon prime with their own freight businesses. So we see that impact. We see the economic impact. We see the improvement opportunity that infrastructure can make into the cities and the counties and the community, as well as the quality of life that we see improving just because people are able to get connected across the state. So it is needed. And of course, our hope is that we never see an issue where, like Minneapolis where we have something catastrophic happen. We would rather be proactive.

Mr. CHABOT. Thank you very much. And just to conclude, one thing I wanted to mention, I am sure you are aware of this, we—and when I say “we” again, not just myself, other members here on both sides of the aisle—have been successful in getting something called Projects of National and Regional Significance into the previous transportation bill. So there is an access, there is a pot of money there waiting. It will not fund the whole thing but a significant part of it. But the local communities, obviously, and Ohio and Kentucky have to determine how they are going to come up with a local part of the funding. And that has kind of been the challenge in recent years. Thank you very much.

Ms. Williams, let me turn to you. Could you elaborate on the challenges, and we have talked about this in this Committee a lot over the years, that small businesses face that comes from the cybersecurity threat and what kind of impact there can be on a small business if they are successfully hacked?

Ms. WILLIAMS. So we have had, well, when I say “we,” UTSA and our Procurement Technical Assistance Center office services many small businesses. A lot of times they do not come to us as a resource until they have been hacked. And that is when they will come to the trainer or come to the classes and they will talk about the impact of them being hacked and losing all of their customer information. Or making their customers vulnerable to having their information out there and stolen. At some point, or at one point they literally will have to shut down their business because all of their records have been compromised. So it is a great impact when they have been hacked.

Mr. CHABOT. Thank you. My time is about ready to expire, and I would just note that I know we have heard testimony that there is a pretty high percentage of small businesses that literally go out of businesses after a hack. They just cannot survive. So it can be a very serious and devastating event. And I yield back. Thank you.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now I recognize Ms. Finkenaue, Chairwoman of the Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship for 5 minutes.

Ms. FINKENAUER. Thank you, Madam. I always do that. Thank you, Madam Chair. And thank you to our guests here today as well. I really appreciate you being here and talking about this very important topic.

I get very excited talking about transportation infrastructure. I also, besides having the honor to sit on the Small Business Committee, I sit on the Transportation Infrastructure Committee as well, where March is going to be infrastructure month. So I am very hopeful we can actually start moving forward here and it is incredibly important that we do. I am from Iowa. We actually have the most structurally deficient bridges in the entire country. On top of that, we rank number 39 in broadband connectivity, which is a problem when I am from Iowa and our agriculture economy, our farmers are relying on cloud-based services and the internet to be able to use precision ag the way that they need to be able to save money and, you know, again, be able to do what they need to do in the field.

Along with that, we are also desperately trying to grow rural American and a big part of that is making sure that we have broadband in all parts of my state. And so this is something, again, I am really excited to talk about. And Mr. Donovan, I know this is really kind of your wheelhouse as well. And I want to know, you know, I have been having a lot of conversations about this lately, and we all know there are areas of our country where we desperately need broadband. We need to expand it. But for example, I just had the National Association of County Administrators in the other day and one of their things is, you know, well, we know we need it. We do not always know exactly where because of the FCC data. And so one of the things they have been doing, you know, there was somebody who had an app showing, you know, depending on where you are at in the county you can use your app and that data will go in and you can see what your connectivity is and your download speeds, which is creative and a good idea. But what more do we need to be doing, especially on the Federal level here to make sure that we have the data we need to know where we need to be expanding?

I know one of the things I am working on right now is a bill that would address some of these issues, but I want to make sure we are doing everything the right way, and wondering if you have any suggestions about what we should be looking at to make sure, again, we know exactly where we need to be investing.

Mr. DONOVAN. Thank you. It is such an important part of the discussion, especially as these maps and what the coverage should have is going to determine where any funding is going to go, to build it out. For the Mobility Fund USF, we have overstated cov-

erage that is going to determine where \$4.5 billion gets invested. In December, the FCC had a different report that claimed that approximately 100 percent of the population lives in geography with 4G coverage. We have got to do better than that, and it needs to be more—it should be dependent on collecting better data at the FCC and the Federal level, instead of relying on local administrators pushing a button on an app to prove where they do or do not have service. It should not be offloaded onto industry and state and local governments to prove the negative. We need to tighten up those standards and make sure we are starting with reliable data.

Ms. FINKENAUER. Great. Thank you.

And this one just to shift gears a little bit, Ms. Williams, I am happy to have you here as well. And one of the things I get really excited about as well is making sure, again, that rural America has more opportunities, and that means getting to compete for government contracts. And so that was actually my first bill in the House, was making sure that the Small Business Administration and the procurement officers were working with small businesses to be able to compete for government contracts and research grants, which is great. But when we are looking right now at an infrastructure package that will be, hopefully again getting done here, how do we make sure that our small businesses are able to compete for those? And is there anything else we should be doing to look out for that to again make sure they are able to get these contracts?

Ms. WILLIAMS. Thank you. Great question.

I think a lot of I has to do with information. With making sure that they understand the resources that are out there that are available. A lot of times we have businesses that come to us after they have already paid a consultant to do something that is already being paid for through the Federal government, through the SBA, through the Department of Defense. And being paid for in the form of having advisors and counselors available to help them navigate through the process. SBA has, or the Federal Government has contracting goals. Six out of 10 of those goals consistently are met, but women-owned businesses, that goal continues to be lacking. HUB-zone business goals, that continues to be lacking. So making sure they have information is very, very important.

Ms. FINKENAUER. Thank you. I appreciate that.

Chairwoman VELAZQUEZ. The gentlelady's time has expired.

Ms. FINKENAUER. I yield back.

Chairwoman VELAZQUEZ. And now we recognize the gentleman from Ohio, Mr. Balderson, Ranking Member of the Subcommittee on Innovation and Workforce Development, for 5 minutes.

Mr. BALDERSON. Like my colleague, I forget the microphone, too. So I apologize.

Mr. Knochelmann, good morning. And thank you for being here and for representing my state of Ohio, too, with Congressman Chabot. I also sit on the Transportation Infrastructure Committee, and I can personally attest to the infrastructure issues that we are dealing with in Ohio. And right now Governor DeWine has just proposed, and they are doing the budget, the transportation budget work there now as we see what is going on there.

I have had a chance to learn the opportunities that are out there on a national level and what infrastructure is facing. And I, like

my colleague, agree that, you know, we need to address this issue. And that is one of the main reasons I went on this Committee because I think it is something that we can do.

What can Congress do to help small business owners overcome some of these transportation issues that you referred to with your company?

Mr. KNOCHELMANN. Sure. Thank you, Congressman.

I think maybe one of the key factors, I think, is to really be able to listen and know that small businesses are willing to make an investment in infrastructure. That we not expecting and do not look to the state or the Federal Government to take care of even state and Federal roads. We know that our businesses generate those dollars that you are so good about making sure you dispense across the country. So I think one of the big topics, as you referred to, is Governor DeWine's talking about bringing up a gas tax. And I can tell you, I will speak for myself as a business owner with literally 50 trucks on the road every day, I am happy to invest in a gas tax that goes to roads and bridges. I know that most, if not a super majority of my friends and colleagues in my industry, those who have 50 trucks or semis, et cetera, they say the same thing. As long as it is not diverted, we want to make sure it goes into concrete, blacktop, bridges, et cetera, to make sure that it moves our economy forward. I think that that is a message that needs to be heard loud and clear because I do not think that infrastructure is partisan. You know, we all want them, and we all know we have to pay for it. And I think that as long as it is a partnership, and when I think across the levels of government, as well as among the states and your governor and our governor in Kentucky have been, I think, working very professionally about how to present that to the public in a way that is—and the business community. So I think just listen.

Mr. BALDERSON. Thank you very much.

My next question is for Mr. Donovan. And thank you for being here.

We know about broadband. We have been talking about it for a long time. I came into the state legislature in 2008. They were talking about broadband and lack of. My former Senate district is very rural, Appalachia region. And it is a weekly occurrence of, you know, not having access to small business owners in those rural communities. So having been talking about it since even before 2008, I mean, what can Congress do to deploy this and get some, you know, faster action? I mean, you talked about some of the regulatory processes that we have to go through and the permitting issues, and mostly the national lands. Those are some things that we do not have to deal with in the region of the state that we are lacking. It is mostly the terrain and the hills. And I just did not know if there was anything out there that you could suggest to us that we can do to deploy that a little bit quicker.

Mr. DONOVAN. Thank you. The cost to deploy goes up tremendously when you are going through mountainous areas and rough terrain. One thing that there have been efforts previously is to push that in programs like the Universal Service Fund, to include a terrain factor so that if you are having—flat prairie lands are not competing for the same dollars against mountainous terrain so that

you can have some sort of bid credit or balance that out to compete on a level playing field there. Additionally, continuing to push for additional spectrum to be available for wireless carriers to deploy. I talked in my opening statement about low-, mid-, and high-band frequencies. Low band frequencies, actually, they penetrate through obstructions and cover longer distances so particularly in rural areas using those signals can help you serve a greater area off of the same tower. Currently, the FCC is working on, at Congress's direction, we reallocated some spectrum frequencies from broadcasters, reimbursed them, and are using that now for wireless carrier service. That repack process is ongoing. Once that is complete, these low band spectrum will be put to use and can tremendously help expand service availability in rural areas.

Mr. BALDERSON. Okay. Thank you very much.

Madam Chair, I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now we recognize Ms. Davis, congress member from Kansas.

Ms. DAVIS. From the great state of Kansas.

Thank you, Chairwoman. And I appreciate you calling this hearing today. I also sit on the small business committee and the transportation and infrastructure Committee. And so because of that I am becoming that much more aware of the interplay and the need to invest in kind of these core infrastructure issues in our communities. You know, the Kansas City Metro area, and my district includes Overland Park, Kansas, and Olathe, and Lenexa. We have got a ton of businesses that are very dependent on things like broadband. We are also seeking to expand our reach into things like transit and that sort of thing. And all of these things are playing in together. You know, our area was the first google fiber city in the country, and Ride KC is our transit. You know, we have got this awesome thing going on. It has got Wi-Fi on it. So we are trying to figure out ways to make sure that when we are doing one thing we are also addressing another, like internet access.

So when I think about how we build infrastructure that will be good for us and for our grandchildren, certainly, broadband is at the top of mine. And so Mr. Donovan, you said a couple of things earlier that I thought were really interesting. And obviously, broadband is a vital, economic driver. And there are lots of small firms, and you mentioned the number of smaller carriers you have. And that there are not just monetary but regulatory barriers. And specifically, you said that there were unnecessary reviews. I am curious what you mean by that. And then I want to do a follow up about tightening up accountability which you also mentioned. You know, I guess I would love to hear about both of those two things.

Mr. DONOVAN. Sure. Thank you.

So in terms of the reviews, when we're looking at that, the FCC is working on modernizing some of their review processes. But you don't need to go through the same review for a small cell the size of a backpack that goes up in an afternoon, as a 200-foot tower that you are building along the side of a highway.

Ms. DAVIS. And right now that review process is the same for a lot of carriers?

Mr. DONOVAN. The FCC is in the process of implementing some changes there that are actually estimated to save about \$2 billion

off the cost. And that is real money that can then be put back into the networks to further expand it. For smaller firms doing this, that cost of the delay and additional fees is even more dramatic as you are operating on a much tighter margin with fewer resources to be able to put into play.

Ms. DAVIS. and then earlier you were talking about increasing accountability for purposes of—I believe you were talking about for purposes of what is the actual coverage and that it would be great for Congress to have reliable maps. Can you expand on that a little bit?

Mr. DONOVAN. Happily. So, the FCC that collects data for particularly, for the Mobility Fund, they set standards looking at if there is an 80 percent likelihood that you will have signal at a certain loading factor, the certain number of people using that tower. If you can tighten that up, include signal strength, then you have a more direct idea of where you actually have coverage without having to then have people go out and test it. We learned through that process, there is a challenge process off that initial map. And after reviewing over 20 million data points that did not even come close to touching as much of the country that needed to be checked, the FCC found significant flaws. So they are currently investigating that and we want to give them credit for that.

But as we look at future data collections, if we can have parameters that more accurately reflect what you experience on the ground, we will be starting off with a better map.

Ms. DAVIS. Okay. And then last thing. And I was hoping to ask more questions but 5 minutes is so short.

What does accountability look like? What do you think accountability? What should be the consequence?

Mr. DONOVAN. So the consequence should be going back and—making a measurement one time does not need to be the last time. We should keep going until we have it right. What is the right map? It is what you know from traveling in your district and knowing where your dead zones are. And making sure that the data reflects that so we can set policies to fix that problem.

Chairwoman VELAZQUEZ. The gentlelady's time has expired, and she yields back.

And now we recognize the gentleman from Oklahoma, Mr. HERN for 5 minutes.

Mr. HERN. I appreciate it very much. Thanks for the witnesses for being here today.

As an engineer, lifelong business man, and spending 5 years on the Oklahoma Turn pike Authority as the Finance Committee Chair, I certainly understand how vital infrastructure is to small businesses and the necessary burdens that are put on by the government to achieve the infrastructure repairs that we needed to do and the costs associated with those.

Ms. Bougher, I am going to get right to the questions here because I think you, you know, dealing with infrastructure and contracting with them, you certainly understand those. Could you help us understand what public-private partnerships, how those look and what are your thoughts on those as a person dealing directly with the infrastructure?

Ms. BOUGHER. Sure, actually, thank you for asking that question.

We just recently completed—I do not know if you are familiar with the P3 Bridge replacement program in Pennsylvania. Pennsylvania used a P3, a public-private partnership to complete about 556 bridges and that is in response to the deficient bridges, the number of deficient bridges in the state, and is an effort to move that needle at the right level. And we just completed the NEPA clearance for \$459 of those bridges in 15 months. And so talk about the challenges with the P3 process. It is a funding alternative. But there needs to be better communication. From my experience, much better communication between the concessionaires, the contractors and the engineers. And so it is a big team effort. Usually these projects tend to be really timely, with very tight deadlines. And without that communication it could be challenging.

I guess another example is the Turnpike Commission in Pennsylvania just asked us to do a clearance, environmental clearance for 270 miles, and this is related to what Mr. Donovan is also talking about because they are looking to use the existing right-of-way of the Pennsylvania Turnpike to provide broadband access. They are also planning on that through a P3. And I recently heard that it looks like it is going to be more design build. But regardless, it is, again, going back to looking at what makes more sense to do as a public-private partnership and what benefits both parties will get out of that partnership, which is not always even. And so I think there is some work that needs to be done there but that would be my response.

Mr. HERN. Fair enough. And just to continue with this conversation, as that being a possibility of how to fund our infrastructure in the future, obviously, the private part has an interest how they get repaid. They are ROI on their investment which is much different than the public side.

So keeping that thought, what do you see, as we know, the Highway Trust Fund is basically front-end loaded until the end of this year and then we have a problem with funding that going forward. What do you see as some viable, maybe the most effective and efficient ways? I am familiar with the trucking industry. Would like to see fuel being charged or upcharged, increased across the board. Are there any other ways you see?

Ms. BOUGHER. I would not give up on the public-private partnerships. I actually think that these are fairly new, at least to the state of Pennsylvania and Maryland in my experience. I think that we can still do a lot with that type of agreement, with that type of partnership. So I would not necessarily give up on the P3s. And I do think that alternative funding could provide that balance that we need between the Federal and state funding and coming from the private sector.

Having said that, I still think that there are a lot of things that we can do internally through the Federal Government to—

Mr. HERN. So if I may, I have got one other question I want to ask. And this is to Mr. Knochelmann.

Since you are a small business owner and have a trucking industry, what else do you think we should be working on outside of transportation? My point to asking that question of Ms. Bougher

was to show that we all agree that there is an issue. We have got to fix it. What we have a difference on is how we are going to pay for it. And that is for RT&I folks to figure out but again, it is for us to point that out.

What do you see quickly as some other opportunities or things that this Committee should focus on in helping small businesses?

Mr. KNOCHELMANN. Thank you for the question. I think the other idea, and you talked about it, a few members talked about it earlier, is innovation. You know, what kind of ideas can be aggressively gone after, whether that be with special grants to evaluate. How do we become more innovative in how we are moving people around our communities and businesses? Does it make it more efficient? And can we reduce costs? Whether it be the capital cost and/or the overall cost of operation of these, whether it be a P3 or otherwise, I think that we have got to be more innovative. And I think there is a lot of small businesses and a lot of young innovative people in our colleges and in our communities who are willing to look at that in aggressive ways.

Mr. HERN. Thank you.

Chairwoman VELÁZQUEZ. The gentleman's time has expired.

And now we recognize the gentleman from Maine, Mr. Golden, for 5 minutes.

Mr. GOLDEN. Thank you, Madam Chair.

Just kind of following up on that conversation a little bit. I have become very familiar with public-private partnerships in Maine, and I think it is a new thing in Maine as well, ma'am. I served on the Transportation Committee in the Maine legislature and I think we get a lot of good, you know, we stretch our dollars nicely that way.

But I do have a concern that I want to keep in mind in this Committee about the proposal that has come out of the administration for infrastructure. And that is simply to make sure that we do not leave some states behind, Maine being one of them where we also have a State Highway Fund that is underwater. You know, in many ways bonding our way out of it, which is almost like swiping a credit card to pay for basic maintenance. And it is not a good situation to be in. And when I hear that we may have an infrastructure package that prioritizes those states that have more private resources, more state resources to put up and match, you know, I am fearful, of course, that those that just do not have the capital resources might get left out. So you know, something that I am going to be looking to make sure states like Maine do not get left behind.

On that, earlier we had a hearing where someone said one of the most important things we needed to do in an infrastructure package was make sure that the money got down to Main Street. And I am sure that was a reference to businesses like your own. So I just wanted to give you an opportunity to maybe talk a little bit about what we can do. I hear a lot of small business owners say it is tough for them to get involved with Federal projects because it takes so long to actually get the shovels in the ground and they just cannot float the upfront costs. So if you could maybe just talk a little bit about that. What can we do to speed up the process? Because in your testimony you hinted at it a little bit.

Ms. BOUGHER. In my case, with an environmental firm that works with environmental permitting all the time, I can tell you that there are a lot of things that we can do within that process to make it more efficient. Like Mr. Knochelmann referred to being more efficient and being more innovative is allowing those small businesses to come up with the ideas, and they can. They do this work all the time. We work on this. This is our bread and butter. And we can suggest ways to make it more efficient. And innovative ways that may not be how it has been done for the last 50 years, but maybe a better way to do it and now a better way that belongs more to the, you know, more up to date. And I think our systems in terms of review process have been going around for many, many years. And we have not really reconsidered whether or not they are still necessary and whether or not we require as many days with all that we can do online, all that we can do very quickly, we are still keeping those same review times that we had back when we were using snail mail. And so that may not be necessary any more. Just things like that is what I can think off the top of my head right now that we can, you know, and small businesses can definitely help.

Mr. GOLDEN. So shorten the period of time for review process is something that we should look at as an example.

Ms. BOUGHER. Yes. Yes.

Mr. GOLDEN. But when you say getting small businesses more involved in the planning of projects, is that an issue with, let's say, working with State Departments of Transportation? Is that what you are saying? Is it the Federal Government should encourage more of a partnership in the planning process?

Ms. BOUGHER. I think having a seat at the table early on, and it is not necessarily that they do not take it into account right now, but being able to say, and it is not necessarily so much about being a small business that can contribute, but being experts in the field. Our business right now is small because we are a specialty firm. And what we specialize on is environmental permitting and NEPA clearance. So we go out to the experts and ask them, how do you think it can be done more efficiently? That would be a suggestion.

Mr. GOLDEN. Thank you.

Mr. Donovan, I think I have got time for one more exchange here.

Something that happens in Maine a lot, and you talked about how coverage is overstated. And I could not agree with you more. Many a small town has some broadband running down Main Street, and they are doing a good job of rebuilding Main Street. They run out of space though and then growth is basically stuck. Because when you talk to people they will say, yeah, you know, it is nice on the downtown. We have got good access to broadband or faster internet, but you get a mile out of town and the consumers, their market is in the dark. So I just want to give you a chance maybe to talk about what Congress can do working with carriers to try and get at that problem right there because I do think it is overstated. Maine, on the map here, said that only 14 percent are without access to broadband. There is no way that is true.

Mr. DONOVAN. Yeah, thank you, Congressman. For where you are locating on Main Street, you know, it is not just location, loca-

tion, location. Now it is location, location, and is there broadband, is what businesses are looking at. Or else, you do not exist if you do not exist on there. You know, Senator King uses the phrase that there is no silver bullet but there is silver buckshot for solving this digital divide. So we want to embrace in all the above strategy.

Chairwoman VELÁZQUEZ. The gentleman yields back.

And now we recognize the gentleman from Minnesota, Mr. Hagedorn, for 5 minutes.

Mr. HAGERDON. Thank you, Madam Chair, and Ranking Republican. I appreciate that. Witnesses, thanks for your testimony.

One of the most important things that I am trying to help accomplish is to sustain agriculture and our rural way of life, and a lot of that involves, of course, the success of small businesses. And I have come to the conclusion that the best way to level the playing field and to do all we can for our small businesses is to eliminate bad government at every level of government, especially here at the Federal Government. And when you look at areas like regulations and taxes, I think Obamacare, which has not been good for small business, and energy independence, things of that nature, we have got a lot of work to do. Trade is another area.

And I would like to focus in though on transportation. In our district, Southern Minnesota, the district goes all the way from South Dakota to Wisconsin and then Iowa up about 80 miles. There is a main thoroughfare, Highway 14. It is the most densely populated, contiguous road without a—that does not include four lanes all the way across. And it has quite an impact on business and commerce and efficiency. And it all relates back to small business in our rural communities.

I will give you a little story. In the city of New Ulm, a beautiful community of about 14,000, it is in Brown County, just a wonderful place. 3M is located there. Lots of good businesses. But the mayor and some of the Economic Development folks told me a story a year or two ago where there was a company that was looking to relocate into New Ulm. Going to bring in 500 to 1,000 jobs. And the representative of that company drove in and looked around and said, is the only way in and out of town two lanes? And they said, yeah, unfortunately, that is the way it is. And they said, okay, thanks. And they got back in their car and left. And so there are 500 or 1,000 jobs not in that wonderful, vibrant community that could be even stronger. And of course, that is a larger business. But think of what those folks are going to do if they live there, shop there, you know, go to school there, how it helps all involved, especially small businesses.

So I know my friend, Mr. Stauber, Congressman Stauber, is on the Committee of Transportation. I am looking to work with him and everyone else because there is a project, Highway 14, that people, including my father 44 years ago when he arrived here, he started working on that and we still have not completed it. So I understand exactly how important infrastructure of that nature is.

I would say to our friend, Mr. Donovan, thank you for your staff for stopping by our office yesterday. We appreciate what you are doing and looking into in the issues.

Do you have an example or two that you can provide us as to how broadband is so critically important for our farmers and our small agri businesses in places like southern Minnesota?

Mr. DONOVAN. Thank you.

So when we look at farming today, you almost become agricultural engineers with the amount of connectivity that they depend on. So precision agriculture techniques will allow farmers to be more efficient and have more profitable yields while using fewer resources. And there has been a lot of talk of autonomous vehicles generally as things that 5G will enable. And we have had them in rural America for years, they are just John Deere green. They are based on following that wireless connection in order to power how they are operating.

Mr. HAGERDON. Thank you. I will give you another example. I grew up on a grain and livestock farm. We had hogs, and my father would send me out on occasion to feed the hogs, but now they can do that all automatic. They sit in a computer room and turn the machines on and off and nobody has to even get close to the animals in many cases.

Mr. DONOVAN. I will add on to that, if I may. In addition to feeding them, you even have applications that are essentially a Fitbit for piglets that can track them and you can see where the animals are. And that actually, it helps prevent instances where the pigs get smothered while they are getting fed and in other instances, you can track the vitals. It is pretty incredible what you can do with these connections.

Mr. HAGERDON. Very good.

Very quickly, Ms. Williams, I would ask you a quick question, your analysis. Do you support the Small Business Runway Extension Act of 2018, which affects small businesses and their qualifications during the procurement process? What is your opinion of that legislation?

Ms. WILLIAMS. Thanks for asking.

I would have to say I am not familiar with it. I have not read that piece of legislation.

Mr. HAGERDON. It is a relatively new bill and I am sorry if I caught you off guard. But maybe you can submit something for the record and respond to us down the road.

Ms. WILLIAMS. I would be glad to do that.

Mr. HAGERDON. With that I yield back. Thank you.

Chairwoman VELAZQUEZ. The gentleman yields back. And now we recognize the gentleman from Texas, Mr. Veasey, for 5 minutes.

Mr. VEASEY. Thank you, Madam Chair.

You know, as we talk about expanding our broadband and moving it out to rural America, one area that I am concerned, and I am fully supportive of that. I think it is very important that we expand our broadband. One area that I think that we need to address now before we start any large expansive movement of that is when those contracting opportunities take place to help build out that broadband, that black-owned, woman-owned, minority-owned firms are a part of that work that actually takes place. I think that is critically important on everything that we do for that matter, whether it is expanding our green infrastructure or any of those

things that we talk about that are on the horizon for helping create a better America.

And so with that I wanted to ask Ms. Williams, because I know that you have some background in helping out small businesses, as it relates to expanding contracting opportunities for small businesses, can you speak on how retainage and prompt pay affects the growth of small businesses and contractors, specifically when they are trying to be able to have enough capital to be able to work on various projects, different projects if their money is being held up?

Ms. WILLIAMS. Thank you for that question. Great question.

We have dealt, in my 30 years of experience in dealing with small businesses, not only through this program but at the local level as well, all of those issues have been significant to small business growth. On local projects retainage has definitely been an issue. Not only that but bonding continues to be an issue, as well as prompt payment. That also relates to access to capital. That is one of the reasons why they need significant access to capital is to be able to cover some of those expenses while they are waiting for payment. With Federal Government contracting prompt payment continues to be an issue. We continue to see business after business come to us for assistance to find out where they can gain more access. Some of them tend to go to organizations where they submit their contract or borrow on their contract while they are waiting to get paid. So that continues to be an issue. We continue to look for resources to help them. Some local governments have provisions in place to speed up that prompt payment process but we have not heard anything as far as expediting that at the Federal level.

Mr. VEASEY. I know a local contractor in the Dallas-Fort Worth area that told me that they were owed about \$600,000 on a project that they were working on and literally did not get it for almost 9 months. And for a lot of small businesses, particularly smaller, you know, black-owned companies, Hispanic-owned companies, that could be really a death blow.

What other challenges out there do small businesses face? Again, particularly, you know, small minority-owned businesses face when working with the Federal Government on bids and projects?

Ms. WILLIAMS. Navigating through the system is a huge challenge. Again, a lot of them try to do it on their own before coming to resource providers. Having proper paperwork in place. Having their business structures in place. So those areas continue to be an issue. Once they get those in place, then they can focus on actually providing the service. But navigating through the system continues to be an issue.

Mr. VEASEY. Madam Chair, I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now we recognize the gentleman from Minnesota, Mr. Stauber, for 5 minutes.

Mr. STAUBER. Thank you, Madam Chair. And thank you, witnesses, for coming. Your testimony is enlightening because we are talking about small businesses owners. I am a small business owner and have been for 28 years. We know, and the four of you know that small businesses are the engine of our economy.

A couple of questions. Ms. Williams, you talked about, the question was, what is the biggest challenge for small business? And you

talked about navigating the system. I would encourage you because you are the expert, to help us incorporate some of those suggestions from the small businesses so it can be easier because, I mean, I am sure all of you understand that small businesses, we are assets to the Federal Government in repair, fixing their assets, and what have you. And so I would encourage you to bring those forward. From your 30 years of experience, Ms. Williams, you can bring a wealth of expertise to that in the procurement process because that is going to continue to expand our small businesses. That would be my request of you because of your expertise. And you know, when we talk about my good colleague from Maine talks about expanding broadband in the rural areas, I could not agree with him more. My area is rural northern Minnesota, a beautiful place to live, but they are not expanding because as you talked about, location, location, location, broadband. That is an important piece of the infrastructure.

Ms. Williams, your testimony, you concentrated in three areas of deploying broadband—availability, affordability, and adoption. Which of these do you think is the biggest challenge for small businesses?

Mr. WILLIAMS. Thank you so much. And I definitely will follow up with how we can help small businesses navigate through that.

As far as broadband, affordability. Well, let me retract a little bit. I think accessibility is number one. Affordability, of course, definitely is number two. And I say accessibility because there is a lot of, speaking from a Texas viewpoint, there are a lot of areas in south Texas where just municipalities, the small municipalities are longing for access to high speed broadband.

We have an event called the Texas Rural Challenge where we meet with those municipalities and we have directly heard that from them. So if the municipalities are having issues, the small businesses also in turn are having issues just accessing it in their area. There are pockets where you just cannot get any cell phone service, let alone broadband service. So I would say the number one issue is accessibility.

Mr. STAUBER. Thank you.

And then my next question would be I guess to the entire group. I am on the Transportation and Infrastructure Committee. And when we have to build, rebuild American roads and what have you, I would challenge us as supporters of small business, to understand the importance of road access into our small businesses, and also to make sure that our State Department of Transportation understand when they rebuild or reroute that small businesses have a voice in that. And I would encourage us to get into, look at those projects that hopefully will be appropriating very soon, but that small businesses have a voice in the access roads, the frontage roads, whether they are going to bypass or not, but have that local input. And you folks are the experts to do it and help us move forward.

I have one other question to Mr. Knochelmann. As a small business owner yourself, what areas do you think this Committee should focus on in addition to infrastructure to help us flourish, help small businesses flourish?

Mr. KNOCHELMANN. Well, it is a great question, Congressman. I think that it all comes down to education and whether or

not we—I think about the small business. I happen to have an accounting degree, so I think that it was very beneficial for me to go right into the plumbing/heating business. Even though I do not install water heaters personally, I have people who do that. Education. You know, so you do not need a 4-year-degree to know how to be an entrepreneur. You do not need a 4-year degree to be a good business person. But I think the communities need access to those business ideas. And whether or not we encourage the education system to include it at a high school level, after high school, as well as having the region, the ability for people to come and get their quick answers, how do you start and grow your small business? That is a huge issue, and it is not very expensive.

Mr. STAUBER. I appreciate that answer. That was music to my ears.

Madam Chair, I yield back.

Chairwoman VELAZQUEZ. Thank you. The gentleman yields back.

And now I am going to recognize myself for 5 minutes as we go into a second round.

And to follow the line of questioning of the gentleman that just was asking the questions, I would like to raise—so imagine for a second here that we are going to enact legislation, an infrastructure bill. It sounds like there is bipartisan desire to enact such legislation. The question is, how are we going to pay for it? I am optimistic when I hear Mr. Knochelmann say that a gas tax, and many people are proposing such a tax increase to be able to finance it. But let's say for a moment that there is bipartisan support that we enact the legislation.

Ms. Bougher, you mentioned how a shortage of skilled workers constrain the ability of small businesses to expand operations. What would you say, Mr. Donovan, Mr. Knochelmann, and Ms. Bougher, how can it work? Talk to us about the workforce challenges that you will face if such legislation is enacted.

Mr. Donovan?

Mr. DONOVAN. Thank you. We encourage your efforts to enact legislation and stand ready to assist in that. On the workforce piece, there was bipartisan legislation last Congress we would like to see come back looking at, particularly in the telecommunications world, at tower climbing and other tower engineering jobs-on bringing that more into community colleges and into local communities, so that you can start using additional resources to make sure that the people have the skills to work on broadband deployment to accomplish the goals that you will have in the infrastructure bill.

Chairwoman VELAZQUEZ. Ms. Bougher?

Ms. BOUGHER. So I have a short-term and a long-term answer to that question. The short-term, it is the lack of engineers. We would have to go back to high school. We would have to convince these kids to go to engineering school. And that is something that is going to take time. So in the short-term, I would think a cross-training program where engineers that may not be as familiar with the different areas of, you know, there is a structural engineer. There are very specific fields within the engineering field that we can help cross-train now, start that process now, especially with our entry level engineers so we can have a more diverse set of tal-

ents within the same engineer. That, in my opinion, would be a short-term, we can work on it now solution. But the long-term and most sustainable solution would have to be going to workforce development that starts at the—I would even say at the middle school level, not just at the college level. I think in college we are a little too late. So I would say we would have to—that K-12 is important.

Chairwoman VELÁZQUEZ. Thank you.

Mr. Knochelmann?

Mr. KNOCHELMANN. Thank you. And I would agree with everything that has been stated on that. And I think another area, and you see a shift in the culture, I think, of a discussion about that not everyone also needs to have a 4-year degree and take on a lot of debt to be able to be successful in the workforce environment. I think that is very healthy. We need to encourage that.

We have been drawing in our business, we have been drawing in a lot of individuals who are both college educated and not in the service industry. So we have been going to all fields, including encourage co-oping from high schools, seniors who come in and work half a day paid. And be able to feel the industry out to know whether or not they are going to be able to do that. But I also think it is a reality that the public is also willing to pay for infrastructure, too, because ultimately, as much as I would like to think that it all comes out of my pocket, ultimately I have to pass those costs on to consumers. I think they are willing to pay for good services and good roads and infrastructure.

Chairwoman VELÁZQUEZ. Thank you.

I yield back the balance of my time.

I would like to recognize the gentleman from Pennsylvania, Mr. Joyce, for 5 minutes.

Mr. JOYCE. I thank the Chairwoman for yielding.

My question is for Mr. Donovan. What can we do to incentivize better relationships between providers and state, city, and local governments who have experienced limited coverage? I am from rural south central Pennsylvania, and many of these municipalities are hesitant to share the control with any other existing infrastructure.

Mr. DONOVAN. Thank you for the question.

I think part of the discussion today is we have bipartisan agreement that access to broadband is an economic multiplier and a must-have for the 21st century. As we look at the permitting process, the application, rights-of-way, it is looking at it as a partnership that is a win-win. It is an investment in the local community, and maybe looking a little less that it being a one-time, revenue generator off of different fees and different access, and instead taking a step back and looking at all the revenue that will come to that area because the investment is flowing in there. The investment, the wireless carriers are continuing to work to expand networks, and more of that attention is going to go where they are able to have a municipality that can work with them to try and find some creative solutions, particularly for the small carriers that I represent. They also live in these communities. And if they do not do something right by their community, they are going to hear about it. They are serving on local boards, so I think they might

be some of the model on how you can work to improve these relationships to make sure we can get to that goal of expanded service.

Mr. JOYCE. Do you see a role in incentivizing these entities to work together?

Mr. DONOVAN. Absolutely. And again, any incentives you can have to spur additional deployment are great. And we have seen that already in some states that have eased restrictions on small cells, are some of the first 5G cities. So how we look at those incentives to make sure that carriers can work with the municipalities to make sure we expand service.

Mr. JOYCE. Thank you for your concise answer.

I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back.

And now we recognize the gentleman from Maine, Mr. Golden, for 5 minutes.

Mr. GOLDEN. Thank you, ma'am.

Not to pick on you, Mr. Donovan, but we will just keep going with this one. And I look forward to working with my colleagues on some of the regulatory stuff that might help in rural areas. I think that has been a good conversation.

I just wanted to ask, you know, getting back, I love your response about the buckshot, by the way. It sounds very much like Senator King. And as a Mainer, I understand the reference.

But do you foresee a time where carriers that you represent and others are going to see that it is a good investment for them to expand significantly without public assistance? Or are we just going to—consumers are, I think, are going to have to either accept that they are not going to have it or are we going to have to do some kind of Federal investment in the infrastructure or public partnerships? I mean, in the state of Maine, they have looked at doing bonds related to this to lay down the infrastructure so that carriers can then provide the service. But do we realistically think that carriers will ever see a financial incentive to do this without public investment?

Mr. DONOVAN. Congressman, thank you.

Yes, we do. That is part of the exciting part of 5G deployment, is that in many ways it is going to affect everything other than your phone first. Yes, you will have faster speeds and greater access, but the connections that it will enable, can set up a river of pennies where you may not have as many data plans sold to people but you have additional sensors and other data plans that ride on that, you know, powered through 5G networks or some of the precursors like narrowband internet of things networks.

As one example, we represent a carrier that serves rural Wyoming, and they have a massive footprint but less than 100,000 subscribers. Talking with them, they say they have identified another 5 million subscribers. The difference is that 3 million of them are cows and 2 million are sheep. So how can you get those connected as well? And once you build that network, and we may need some additional support to get the networks built, but then can you use that river of pennies approach to have many different streams that can help build a sustainable business case.

Mr. GOLDEN. So, what you are basically saying is if we do nothing your belief is carriers are going to bring 5G access out to rural America by themselves?

Mr. DONOVAN. Parts will. I think if we do nothing then, we are on the wrong side of the digital divide right now and we need to build that bridge. Once we get there then they can sustain the businesses, but we do need additional support in order to get that initial build out.

Mr. GOLDEN. Gotcha. The infrastructure part?

Mr. DONOVAN. That is correct.

Mr. GOLDEN. All right. Thank you.

Ms. Williams, just really quickly. You talked earlier about how some small businesses are going out and getting some people to come in and advise them how to do, you know, get in on Federal contracting and other things, and that is essentially what the PTAC is for. And I have seen this firsthand where we had a PTAC in Bangor, Maine, and 30 miles down the road a small business that was paying some advisor consultant to come in from as far away as Boston on how they could get involved with pursuing some contracting opportunities relevant to their shipbuilding. I mean, obviously, the contractor, you know, the advisor is putting money into getting word out there and pursuing clients. What is it going to take for PTACs to compete against that? I mean, what are you lacking in terms of getting the word out about the services that you offer and then getting in touch with those businesses? Because I cannot help but feel like in the case I just described they would love to have a supported service through PTAC rather than paying some expensive consultant out of Boston.

Ms. WILLIAMS. Right. You are absolutely right. We come into scenarios every day where businesses want to get on the GSA schedule, General Services Administration. They have already paid a consultant \$9,000 and still did not get on the schedule. They will come to a PTAC and get on the schedule in a matter of 2 months.

I think one of the things that is lacking is advertisement. As you mentioned, a lot of the consultants put money into advertising and the way they advertise it makes it seem that they are federally connected. I came across one that actually used federal logos without permission. But because a lot of the funds that we get have to be put into services instead of advertising, then that is where we cannot compete with private consultants.

Mr. GOLDEN. Thank you. That is very helpful.

I yield back my time.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now we recognize the Ranking Member for 5 minutes, Mr. Chabot.

Mr. CHABOT. Thank you, Madam Chair. And I think I am the last questioner if I am not mistaken here, so I am the only one that is standing between the folks in this room and lunch. So I will be brief.

So I will go to the Brent Spence Bridge and Judge Knochelmann.

When we had Elaine Chao, the head of Transportation Department in Cincinnati, we had a hearing with the local chamber folks from Kentucky and Ohio and we talked about principally the Brent Spence Bridge, but also the Western Hills Viaduct, which is an-

other infrastructure project we are working on in our area. And she mentioned something that Ms. Bougher talked about here for a while, and that was public-private partnerships. With respect to local, especially the Brent Spence Bridge, do you have any thoughts on that area where that might come into play on those two particular projects, either one or both?

Mr. KNOCHELMANN. Sure. Well, I think that it has been proven that P3s can be done well and they can be done extremely poorly. And it seems as though that I think that is going to have to be something that is on the table for both the projects that you referred to. And I know that Governor Bevin has said the same thing, that they have to be talked about. We have got some issues as you are probably aware of in Kentucky with some legislation that local, or state legislation that has been problematic on the Brent Spence project.

But in terms of, I think what I have seen from the outside and all the reading that I have done and the advocates and opponents of it realize that the sophistication on the capital side has got to be balanced so that you do not have the state in a situation, either state in a situation where the liability is there and the private sector has no liability. Or that the freedom by which they are able to set rates, et cetera, really damage the state financial situation. So I think that it is about balance. It is about accountability. It is about real return and making sure that no one is too—the risk side of it is balanced with the capital investment. And I think that we have got to have it on the table.

Mr. CHABOT. Thank you. And then finally, you mentioned a potential gas tax. The Chair did as well, and I would be remiss if I did not mention that a former member of the House, a former United States senator is now our new governor in Ohio, and that is Mike DeWine, and he has brought that up, that issue, controversial, but he has brought it up and put it on the table. We do not know what the legislature will do with it. That is in Columbus. But he has, at least it is out there and we will see where that goes. But sort of related to that in some ways, and I had mentioned this relative to the Brent Spence Bridge, that we do have this project of national and regional significance that is waiting there but it is waiting for the local folks to determine how they are going to pay for the local share. And maybe that is part of it, and I know that our new Governor DeWine and Governor Bevin from Kentucky are going to be talking about funding for this major project.

Do you have any thoughts on the local funding aspects of the Brent Spence Bridge? What you are hearing now or what you think about that however you would like to comment?

Mr. DONOVAN. Sure. And I think the big discussion has been about tolls for us, as you know, in the region. And I think whether or not that is a contribution from the state, or the state has to set that financing model up. While no one likes to pay it, I can speak only as a business owner and not as my elected official position because I can only speak for myself. I think those, again, are costs that have to be balanced out. And if it is reasonable, I think we are very willing to pay those kind of contributions that are made on the local level to get those projects done.

And I will tell you from the community in general, I have sensed a willingness to be willing to step up to the plate and play a part in that in making sure that local dollars are invested in those kind of projects. So I think that the movement, we just have to kind of, now that there has been a ground swell of support for saying we know we have a major problem. It is going to take dollars. You all do not have magical checkbooks to write on any project around the country, that we are all going to have to be reasonable about the fact we are going to have to step up to the table and make some investments. And I think there is a willingness to do that. I really do.

Mr. CHABOT. Thank you very much.

I would like to compliment the panel for I think excellent testimony. I want to compliment you, Madam Chair. This was a very good hearing. Thank you for pulling it together. And I yield back.

Chairwoman VELÁZQUEZ. And now you are on the record supporting a tax increase.

Mr. CHABOT. I have to correct the record. I am not on the record doing that.

Chairwoman VELÁZQUEZ. I echo the Ranking Member's statement regarding your participation, it is very enlightening and we really thank you because we know that you are all very busy people and you are here today. It is very important for this committee.

Ensuring small firms can participate in the federal marketplace and win a greater share of federal work is always top of mind. And as we have heard today, investment in our crumbling infrastructure is a great opportunity to help small businesses grow in every corner of our country. As we discuss any future infrastructure investments, it is critical that we listen to and prioritize small business needs to ensure their future success.

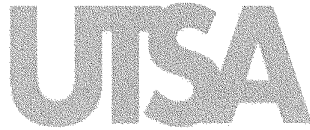
I ask unanimous consent that members have 5 legislative days to submit statements and supporting materials for the record.

Without objection, so ordered.

And if there is no further business to come before the committee, we are adjourned. Thank you.

[Whereupon, at 12:39 p.m., the Committee was adjourned.]

APPENDIX



Testimony of
Terri L. Williams
Director
University of Texas at San Antonio
Procurement Technical Assistance Center

March 6, 2019
Committee on Small Business
US House of Representatives

Rebuilding America: Small Business Perspective

Chairwoman Velazquez, Ranking Member Chabot, Members of the Committee

My name is Terri Williams and I am the Director of the University of Texas at San Antonio Procurement Technical Assistance Center. The government contracting program within this center is funded by the Department of Defense Defense Logistics Agency for the purpose of providing counseling and training to businesses desiring to contract with the federal, state, and local governments. Additional programs of within UTSA include those that receive Department of Transportation funding to help businesses become successful with Highway contracting. DoD funds also support Cybersecurity readiness for small businesses and compliance with federal requirements and SBA funds Employer Services and Emergency Preparedness. Over the past 30 years that I have been involved in listening to the needs of small business owners and providing solutions. Today, key issues are identified as infrastructure, broadband, cybersecurity, government contracting opportunities, and access to capital. My testimony is focused on these issues and anecdotes of small business owners who continue to struggle towards success.

Statistics

Small businesses continue to be the driving force of our nation's economy. According to the most recent SBA Small Business Profile of 2018, 30.2 million businesses meet the definition of small, which accounts for 99.9% of all U. S. businesses. They employ 58.9 million people which accounts for 47.5% of total employees and are responsible for creating 1.9 million net new jobs. Small businesses also hire 43% of all workers in the high-tech sector and produce 13 times as many patents per employee as large firms in high-tech industries. However, this cannot continue to be sustained or increased without investment in infrastructure to help small businesses be competitive with their counterparts.

Infrastructure

Broadband has become an essential tool for doing business. It is important for connecting with customers, working with suppliers, enabling remote access to employees and improving operations. It is a critical component in competing locally and globally. According to a report of the State Broadband Initiative of New Jersey, in order for small businesses to adopt broadband, three areas have to be considered—availability, affordability, and adoption.

Availability must consider two important factors:

1. Is the infrastructure to deliver broadband available and accessible at the location of the small business?
2. Does the available broadband meet the security needs of the small business?

Affordability must consider the following:

1. Is there a need for upgrading the infrastructure or expanding it to the small business location? Is it affordable to the small business?
2. Can the small business afford the technology, devices, equipment, applications needed to adopt the use of broadband into their operation and business?
3. Can they afford to train or hire new staff for implementation?

Finally, adoption considers knowledge and how to adopt it into their business, effectively integrating it into their operations, and realizing the benefits. For many businesses in rural areas of the country, broadband is not an option which leaves them unable to comply with electronic submissions to register their business, submit a bid or proposal, receive payments, or meet data security requirements.

Cybersecurity

In an effort to address national security issues, the Department of Defense (DoD) has identified a need to increase the number of businesses who are resilient and compliant with cybersecurity requirements and decrease the vulnerability of the supply chain. Cyberspace is becoming ever more pervasive and entangled with physical space and our daily work and social lives. Requirements are now included, in many DoD acquisition documents, for businesses to have a system security plan consistent with the National Institute of Standards and Technology (NIST) framework. This framework includes 109 components of information security techniques, aggregated into 14 families of categories ranging from access control to system and information integrity. Unless small business owners are equipped with human and financial resources to comply with these standards, they will be left behind in the federal contracting market. Many businesses have expressed the need to receive financial assistance due to the perception of high training costs, high costs to assess their data security processes, and high costs to assess their computer software and hardware equipment. Institutions of higher education, such as the University of Texas at San Antonio, University of Michigan, Florida State University, and the

University of Houston, have collaborated with resource partner organizations or academic departments to provide low or no cost training and workshops to help small businesses become compliant and contract-ready. In an effort to respond to this need, UTSA has developed a Small Business Cybersecurity Training Academy for the purpose of helping small businesses develop a system security plan that meets DoD DFARS and NIST requirements. However, this training does not provide relief to cover any necessary costs for equipment upgrades. As a result, small businesses are limited in government contracting as a primary contractor or vendor, as well as a sub-contractor or sub-awardee further down in the supply chain since this requirements flows down to suppliers/vendors/sub-contractors, etc.

Contracting

Over the past 30 years, federal, state, and local government agencies have strategized, at the request of small business owners, to provide information and assistance in responding to requests for government contracting bids and proposals. Small businesses view government as a reliable market to expand their business and become successful. However, it is very difficult for any business to navigate through the many requirements to enable contracting success. Over the past 8 years, federal agencies received grades on their performance which are not only based on agency operations but also on their achievement in meeting contracting goals with small businesses. In addition, federal contracting goals further categorize businesses based on ethnic, gender, military-service, and financial ownership, as well as geographic location and hiring.

While state and local governments establish goals that are specific to the availability of businesses in their geographic area, federal agencies have a broader reach. The federal establishment of business utilization goals is a good start to rebuilding America's business economy. On a federal level, 6 out of 10 contracting goals have been achieved through the utilization of small, minority, women, disadvantaged, veteran-owned, and hubzone businesses. Although, many small businesses have had significant growth and expansion through federal contracting, many more still require technical assistance, guidance, and financial resources.

Access to Capital

And finally, none of the above mentioned issues can be resolved without access to significant financial resources. Small business advocates such as the Small Business Administration, LiftFund, and PeopleFund have developed creative products to provide loans with the support of the banking industry. These are available in the form of loans that are guaranteed by banks, microloans, contract collateralized loans, and even crowdfunding. Support of small business financing mechanisms that relax total dependence on high credit scores and lowers interest rates will help businesses be more competitive and infuse money back into their business.

In closing, thank you for the opportunity to share information on small business experiences as it relates to rebuilding America. I'll be glad to answer any questions of the committee.

Rebuilding America: Small Business Perspective

Testimony of Tim Donovan
Senior Vice President, Legislative Affairs
Competitive Carriers Association

Before the

United States House of Representatives
Committee on Small Business

March 6, 2019

Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee, thank you for the opportunity to testify about the importance of broadband connectivity as Congress continues its work to revitalize our nation's infrastructure.

I am testifying on behalf of Competitive Carriers Association ("CCA"), the nation's leading association for competitive wireless providers. CCA is composed of nearly 100 carrier members ranging from small, rural providers serving fewer than 5,000 customers to regional and nationwide providers serving millions of customers, as well as vendors and suppliers that provide products and services throughout the wireless communications ecosystem. The vast majority of CCA members are small businesses or work closely with small businesses. They invest in their hometowns, not only through providing wireless service, but also by employing their neighbors, sponsoring local events and hometown teams, and hosting community service events.

Robust broadband networks are vital infrastructure for the 21st century, particularly for small businesses and the consumers they serve. These businesses rely on connectivity to provide a digital storefront to reach customers in their communities and around the world. In addition to connecting with consumers, wireless services have revolutionized how entire industries operate. For example, farmers deploy precision agriculture technologies to increase yields while preserving finite resources. Telehealth services provide necessary medical treatments and patient monitoring capabilities directly to those who may live hours from the nearest major medical center, revolutionizing patient access and care and improving health and quality of life for many Americans. Distance learning allows students the opportunity to advance their education with remote lectures that may take place hundreds of miles away. These and other services are economic multipliers and job creators that depend on reliable broadband coverage. While critical for today's mobile economy, the potential benefits and capabilities of next-generation and 5G networks will supercharge existing services and enable new technologies. The possibility of a fully connected world is both groundbreaking and exciting.

Unfortunately, this generational leap of technology and the very existence of 5G is not inevitable, particularly in rural America. While 5G buzz grabs the headlines, rural and hard-to-serve areas are at a crossroads. While too many rural areas and small businesses remain on the wrong side of a persistent digital divide, decisions made by policymakers today can either launch new innovation and economic growth or exacerbate insufficient broadband access, leaving rural America behind. Small businesses depend on policies that preserve and expand wireless services today and must have access to the latest technologies to be competitive in the years ahead.

Infrastructure Policy Decisions Depend on Reliable Coverage Maps

Just as all businesses need reliable data to establish what services are available in a given location, Congress must have reliable coverage maps to determine where broadband coverage exists in order to advance policies that close the digital divide and support deployment of next-generation wireless services. Unfortunately, based on your own experiences, members of this Committee know that coverage is frequently overstated – and in some cases, substantially overstated, leaving consumers frustrated and communities lacking connectivity.

The Federal Communications Commission (“FCC”) is currently investigating certain mapping data collected to guide the Mobility Fund Phase II program (“MF II”). After a preliminary review of more than 20 million speed tests conducted through the FCC’s challenge process, the FCC expressed increased concerns that current data is fatally flawed. This data will determine where \$4.53 billion in MF II support as part of the Universal Service Fund (“USF”) will be disbursed to preserve and expand mobile broadband over the next ten years. CCA stands ready to work alongside the FCC and Congress to ensure that future data collections provide an accurate and reliable foundation to determine critical funding decisions.

Additional Funding Will Preserve and Expand Wireless Broadband Coverage

CCA commends the FCC for making \$4.53 billion in support available to preserve and expand mobile broadband services through the MF II program. However, additional resources are necessary to ensure that rural areas have access to reasonably comparable telecommunications and information services, as those provided in urban areas. MFII is critically important to preserve and expand 4G services in high-cost areas, and 5G services will build upon a 4G foundation. In the wireless industry, a technology “generation” has historically found its peak in its tenth year. Announcements for 5G deployments promise services available this year, which means that additional resources to complement MF II is critical to ensure that rural America does not fall further behind the digital divide.

As Congress considers legislation to rebuild America’s infrastructure, CCA strongly supports employing all policy options to advance wireless broadband deployment, including providing direct funding to deploy broadband infrastructure where private capital alone is not sufficient to support a business case for service. Services enabled by 5G networks will support business plans for ongoing rural service, but funding remains a hurdle for the initial capital expenses and other expenditures. Greater connectivity in a 5G world will not be limited to individual users, and the massive number of connections to power Internet of Things (“IoT”) applications will create a river of pennies to support operational expenses. Yet absent support for initial deployment, rural areas will remain unconnected while other areas enjoy increased automation through connectivity.

Ubiquitous Wireless Broadband Demands More Spectrum

Wireless services are not possible without access to a variety of spectrum frequencies - a finite resource only available from the government. It is the invisible infrastructure for wireless services, and the lifeblood of our industry. All carriers must have access to spectrum at low-, mid-, and high-bands to

provide the services their customers depend on and the capacity necessary to support innovative applications. As small businesses increasingly rely on wireless broadband connections, the demand for additional spectrum resources grows exponentially.

Mid-band spectrum balances distance travelled with speed and capacity capabilities, making it particularly well suited for providing the latest generation wireless services in rural America. To gain access to additional mid-band spectrum frequencies as carriers contemplate 5G deployments, the 3.7 – 4.2 GHz portion of the C-band has emerged as a prime opportunity to reallocate spectrum to meet the nation's wireless needs. It is critically important that policymakers adopt policies that both reallocate as much of this spectrum band as possible to support 5G networks and also ensure that competitive carriers and those serving rural America have a meaningful opportunity to gain access to this spectrum. Apart from the C-Band, completion of work on the L-Band will provide competitive carriers with another source of prime mid-band frequencies to deploy next-generation networks.

High-band spectrum enables ultra-fast speeds, despite lower distance propagation. The FCC is currently auctioning multiple bands of high-band millimeter wave spectrum, including the recently concluded 28 GHz auction and the 24 GHz auction set to begin on March 14, 2019. These spectrum bands present opportunities to deploy large swaths of spectrum, a force multiplier for the capabilities of the wireless services that use these frequencies. As additional high-band spectrum allocations are considered for wireless use, policymakers should preserve the opportunity for licensed use and provide certainty on service rules, such as power levels, to spur research and development of this spectrum to serve consumers.

Low-band spectrum, or spectrum below 1 GHz, has propagation characteristics that carry signals across long distances and through impediments such as walls or trees. This spectrum is particularly important for coverage in rural areas with lower population densities and vast areas to connect. With

no additional low-band spectrum expected to be reallocated for wireless use in the near future, the FCC must ensure that the ongoing transition to repack television broadcasters in the 600 MHz band remains on schedule. This transition will allow the wireless carriers that bid over \$19 billion to gain access to these frequencies to put this spectrum to use to serve consumers.

Infrastructure Deployment Policies Should Promote Wireless Services

Wireless broadband services depend on physical infrastructure, and smart policies to deploy, maintain, and upgrade this infrastructure are key components to both close the digital divide and complete the generational upgrade to 5G technologies. All carriers must have certainty regarding the costs and time necessary to deploy macro-towers, small cells, and the fiber required to backhaul tremendous amounts of data. Eliminating outdated or unnecessary review processes will reduce deployment costs, and assist carriers as they work to provide the robust services that their customers depend on and demand.

While Congress and the FCC have taken important steps to streamline siting approval and permitting processes, additional work remains to deploy ubiquitous service that will support next-generation technologies. 5G deployments, in particular, will require a myriad of cell towers and small cells, but that is not all. 5G networks also will exist on a high-fiber diet, and forward-thinking infrastructure deployment policies are necessary to ensure that backhaul does not become a choke point in modern wireless networks. These policies should include processes to enhance access to rights-of-way, rationalize fees, and increase certainty for review timeframes, including but not limited to deployments on Federal lands.

It is important to underscore that infrastructure reform need not pit wireless carriers against the municipalities and states they serve. Instead, smart policies can create a streamlined and effective win-win scenario that saves resources by eliminating redundant and unnecessary application review

processes for both carriers willing to invest in network deployments, as well as state and local government agencies seeking to upgrade services for their constituencies.

Additionally, as carriers work to deploy next-generation wireless services, policymakers should continue to provide guidance to all carriers regarding the risks and potential threats to ensure that networks are sufficiently protected and hardened from cybersecurity and other national security vulnerabilities. Government and industry must define a process to provide adequate resources to secure networks and sustain national security priorities so that all small businesses can embrace the connected future with confidence.

Modern wireless broadband services will revolutionize how small businesses connect with their customers, while creating new jobs and allowing anyone to work wherever there is a broadband connection. These services enable augmented and virtual reality, seamless streaming, autonomous vehicles, security video feeds, health care improvements and monitoring, connected homes and cities, industrial automation, precision agriculture, and additional technologies. While not long ago, these would be considered science fiction, the latest wireless services are making them a reality, improving opportunities for small businesses and reducing their costs. However, they all require a reliable broadband connection. 5G services promise an immediate and expansive impact on the lives of all Americans, particularly small businesses in rural areas, but absent smart and swift action from policymakers to close the digital divide, those in rural areas will be sidelined from a connected future. I appreciate this Committee's attention to ensuring that all small businesses have the national infrastructure in place to survive and thrive, and reliable broadband is an ever increasingly important component to achieving this goal.

Thank you for holding today's important hearing, and I welcome any questions you may have.



AMERICAN COUNCIL OF ENGINEERING COMPANIES

**Testimony of Roseline Bougher
President & CEO
A.D. Marble**

**House Committee on Small Business hearing on
"Rebuilding America: Small Business Perspective"
March 6, 2019**

Madame Chairwoman and Members of the Committee,

I appreciate the opportunity to testify before you today about the importance of federal infrastructure investment to our economy and to promoting economic growth among small businesses.

My name is Roseline Hernandez Bougher, and I am the President & CEO of A.D. Marble, an environmental and engineering firm with 50 employees across four offices in Maryland and Pennsylvania, including our headquarters in King of Prussia just outside Congresswoman Houlahan's district. I have been with A.D. Marble for almost 22 years, the last 15 years as their President & CEO.

I am also an active member of the American Council of Engineering Companies (ACEC), the business association of the nation's engineering industry. Founded in 1906, ACEC is a national federation of 52 state and regional organizations representing more than 5,600 engineering firms and 600,000+ engineers, surveyors, architects, and other specialists nationwide. ACEC members drive the design of America's built environment and transportation, water, and energy infrastructure. Our mission is to strengthen the "engineering economy" for ACEC member firms through government advocacy, political action, and business education. I currently sit on the ACEC of Pennsylvania board of directors and serve as the Secretary in the Executive Committee. Our firm is a member of ACEC/PA and ACEC/MD.

Background on Firm History, Markets, and Clients

A.D. Marble was established in 1985 as a woman-owned business. In 2005, our ownership structure changed and we became an Employee Stock Ownership Plan (ESOP). Our founder was looking for the perfect exit strategy and decided to sell the company to the employees. In addition, the company had exceeded the woman-owned business or disadvantage business enterprise status (DBE) revenue limits. I am proud to say that our company surpassed the DBE transition and survived our latest economic downturn. I credit our people for this success. We are a dedicated, hard-working, and forward-thinking team.

Our firm started as a wetlands firm conducting natural resources studies for transportation projects in Pennsylvania such as the Blue Route Environmental Impact Statement (EIS). Ten years later, we added cultural resources services to provide archaeological and historic structures services to our transportation clients. Six years ago, we added environmental engineering services with a focus on water resources to complete the list of environmental services that our clients typically need. Our biggest client right now is the Pennsylvania Department of Transportation (PennDOT) followed by the Pennsylvania Turnpike Commission. Approximately 85% of our work comes from transportation clients in the states of Pennsylvania, Maryland, and Delaware.

Because most of the contracts advertised by the various Departments of Transportation are given to structural engineering firms, we have two layers of clients that we serve. We team with structural engineering firms to complete the environmental work needed to build the projects advertised by the various DOTs and, on occasion, we have the opportunity to prime environmental open-end agreements directly with the DOTs. Our environmental services focus on the completion of the National Environmental Policy Act (NEPA) clearance work and the environmental permitting process. We like to think of ourselves as a “one-stop shop” for environmental services.

Our two key markets are transportation and water. Our focus is on infrastructure.

The Importance of Federal Infrastructure Investment to Small Business

This is a timely hearing. I believe Congress has a unique opportunity in 2019 to pass major infrastructure legislation to modernize the nation’s transportation, water, energy, and communications systems to enhance U.S. competitiveness in the global marketplace and provide robust contracting opportunities for small businesses like mine. Investing in the nation’s critical infrastructure continues to attract strong, bipartisan support in Congress and continues to be a key part of the President’s domestic agenda.

While I recognize that not all of these issues fall within the legislative jurisdiction of this committee, I want to note ACEC’s infrastructure agenda that includes (a) robust funding for core federal programs, including a long-term fix for the Highway Trust Fund; (b) innovative financing mechanisms to promote Public-Private Partnerships (P3s); and (c) responsible regulatory reforms to facilitate efficient project delivery.

I don’t think anyone can reasonably disagree that our nation’s infrastructure remains severely deficient and underfunded. According to the U.S. DOT, improving the condition and performance of highways and bridges requires \$142 billion annually from all levels of government; we currently invest approximately \$105 billion. For public transit, current investment totals \$17 billion per year, while the cost of preservation and expansion needs is 50% higher. The EPA and the Government Accountability Office (GAO) have documented over \$500 billion in funding shortfalls over the next 20 years for water and wastewater systems. Pipelines and electricity transmission needs total \$30 billion annually over the next 3 to 5 years.

A national infrastructure strategy should put emphasis on investment in existing federal infrastructure programs – such as Federal-Aid highway and transit programs, the Airport and Airway Trust Fund and Passenger Facility Charges for airports, the State Revolving Fund (SRF) programs for water and wastewater, and projects to improve the nation's ports and waterways, to name a few.

These are important to small businesses because they provide additional resources to state and local governments who are directly responsible for maintaining and improving these systems, and who represent a major market base for firms like mine. Whether it's a highway widening to accommodate a growing population and ease congestion, or a water utility that needs to update 80-year-old pipes and ensure clean water for the community – these funds are directly invested in physical infrastructure that creates a lasting benefit for the public, improves health and safety, and spurs additional economic activity. It also provides local businesses with direct contracting opportunities, and the flow-down effect helps bolster other local economic activity as well.

Restoring long-term solvency to the Highway Trust Fund should be a particular priority in any infrastructure package. As the members of this committee know, the user fee was last raised in 1993 and has lost 40% of its purchasing power. More than \$140 billion has been transferred into the HTF since 2008 because of the failure to address systemic funding shortfalls with real revenue solutions. We have punted on this issue for far too long. It is past time for Congress to provide new, sustainable revenue for surface transportation programs.

State departments of transportation and local transportation agencies rely on consistent, multi-year federal funding guarantees in order to plan and implement their projects. Without that consistent, dedicated funding, they can only undertake the most basic maintenance and short-term fixes and cannot effectively implement a long-range improvement plan that will unlock business opportunities for small businesses.

As a small business leader and owner, I have seen how challenging the lack of infrastructure funding can be to our industry. A small business does not have the extensive resources that the larger engineering companies have. For example, it is more difficult for my firm to retain employees if there is no work available. Small business firms like ours do not have Research and Development programs or opportunities that can keep employees busy during the slow times. We cannot afford to keep employees that cannot bill to projects even when the lull may be short term. When there is no work, we must make quick and difficult decisions when it comes to personnel. Small businesses depend on a steady stream of infrastructure funding to be able to serve as a sub-contractor to larger engineering firms. This is a problem that affects engineering firms of all sizes, but it's particularly problematic for the smaller specialty firms like mine that lack the resources and markets that enable larger engineering firms to keep their employees busy.

Promoting Environmental Protection and Improving Project Delivery

Congress should balance the new investment and financing mechanisms with commonsense regulatory reforms to reduce unnecessary project delays while still ensuring environmental

quality. These reforms should include provisions to empower a single lead agency responsible for securing one federal decision, merge sequential and duplicative federal reviews, establish enforceable scheduling checkpoints, and delegate more responsibility where appropriate to state agencies.

My firm has particular expertise in this field, specializing in the environmental clearance process and permitting. Our services include National Environmental Policy Act (NEPA) documentation, Section 4(f) evaluations, wildlife and forest management, landscape architecture, wetlands, ecology, farmland assessments, historic structures, archaeology, public involvement, and agency coordination. We also perform erosion and sediment pollution control, hydrology and hydraulics studies, and stormwater management, and stream and wetland restoration. Our goal is to consistently guide projects through the environmental process effectively, ensuring that the needs of the project are weighed appropriately against current environmental constraints.

I can tell you from direct experience that current regulations can be duplicative and unnecessarily lengthy. Federal rules need to be updated to get projects through the process more efficiently, which actually enhances environmental protection by bringing the benefits of the project to the public faster.

Participating agencies are given ample time to review NEPA supporting documents and these time allowances are routinely exceeded. Without agency approval, the technical support documents and the NEPA document cannot be finalized and the projects suffer delays. In most cases, the reason for the delay in participating agency response is due to lack of staff available to review the documents. Approvals and permit review times are heavily impacted by this step in the NEPA approval process. Although permit reviews are separate from NEPA, they are impacted by the same issue.

As a company who deals with this type of situations on a regular basis, some of the potential solutions we suggest include allocating DOT funded positions for the sole purpose of reviewing DOT project documents, reducing the time allowed for review by the agencies, eliminating duplication and sharing data across multiple agencies, and allow for more concurrent reviews where applicable.

Workforce Development

Let me make one final note on the issue of workforce development. We have a shortage of engineers in this country. According to the most recent quarterly ACEC Engineering Business Index survey of company executives, more than one third (37 percent) pointed to the shortage of engineering talent the greatest threat to their firm's success. Experienced labor is difficult to find, especially as Baby Boomers on the senior staff are retiring at a rapid pace. We are not back-filling that shortage with enough graduates in engineering, and we are all fighting to attract and retain experienced engineers.

Part of our employee recruitment and retention includes offering additional benefits and perks such as unlimited flexible time, paying for 92% of the employee and family medical premiums,

and making contributions to Health Savings Accounts. As a small business, this is an ever-growing financial burden, but we feel it is what we need to do to attract the few engineers that are available. This national workforce challenge doesn't have a silver bullet solution. It involves a multifaceted strategy, including improvements in K-12 STEM education to grow the pipeline of students interested in engineering fields, incentives for engineering students at the collegiate level, as well as worker retraining initiatives and increasing the number of employment-based visas for high-skilled workers.

On behalf of ACEC and the nation's engineering industry, I want to thank this committee once again for focusing attention on this important issue. We strongly urge you and the Congress to take up infrastructure legislation as soon as possible that includes funding for our nation's highways, bridges, transit systems, drinking water and wastewater, and other areas of critical infrastructure. I would be happy to answer any questions.

Testimony
of
the Honorable Kris Knochelmann
before the
U.S. House of Representatives Committee on Small Business
March 6, 2019

Good morning, I am Kris Knochelmann, Kenton County, Kentucky Judge Executive and President of the Ohio Kentucky Indiana Regional Council of Governments (OKI). It is an honor to appear before you to discuss the vital importance of reliable transportation infrastructure on all business, particularly small business.

I am a small business owner. My family business started in 1926. By the hard, creative work of many, and God's good fortune, my business has grown, and now employs 64 people. We are located in the greater Cincinnati region with operations in Kentucky and Ohio.

All of us live in a global economy with trillions of transactions, in millions of markets, driving commerce in every corner of the world. However, any accurate reading of data will show that almost all economies, and certainly the United States' economy, is driven by small business. In the United States, small business is the growth engine for jobs and critical to our place on the world economic stage. Small business encompasses 99.7% of United States employer firms; half of all employment; 60% of all new jobs; 98% of all exporting firms; 46% of private sector output...and the list goes on.

As competitors in the world economy, all businesses, particularly small businesses, need to get their products to their customers in the most efficient manner. The transmission of goods is dependent on adequate transportation infrastructure, particularly sound, effective roads and bridges. Alarming, our country's transportation infrastructure is in such poor condition that it is stifling our economy.

The facts are frightful. Over 70,000 bridges are structurally deficient. 40% of urban road miles are congested. We waste \$160 billion due to congestion every year. And, the problem is not just economic; 30% of all accidents are the result of poor road conditions...and, highway deaths in this country have risen to over 40,000 per year. This country's infrastructure network problem is so large, it is estimated it would take a trillion dollars just to bring it up to standard.

While the burden of our deteriorating infrastructure affects all businesses and their employees, it falls most heavily on small businesses. Small businesses, like mine, are least able to absorb the impacts of road delays on fuel costs and wasted time.

Small businesses, almost by definition, are closer to their customers than larger companies. The currency of my small business is not only the American dollar, but, the trust I must have with my customers who live on my street, in my neighborhood and around my region. If my employees are stuck in traffic and cannot be on time for an appointment, my customer can easily find my competitors by pressing a button on their cell phone. If my fuel costs rise because of wasted time in traffic, I cannot pass them on to unknown stockholders. My employees and I bear the brunt of lost dollars due to poor infrastructure.

In my part of the country, we have one of the nation's most critically needed infrastructure projects, the Brent Spence Bridge.

The Brent Spence Bridge crosses the Ohio River from Cincinnati into my home county in Kentucky. However, it also connects Michigan to Miami and other points north to south because it is the lynchpin of the I-75 and I-71 trade corridors. The bridge was constructed to carry 80,000 vehicles a day. It now carries 160,000 vehicles. It was engineered over 50 years ago to handle 3,000 trucks per day; it now carries over 30,000 trucks per day. Years ago, the safety lanes were removed, making a simple lane change a dangerous maneuver. The costs of congestion caused by the bridge is approaching a billion dollars a year. The value of the Brent Spence Bridge to our nation and our region is obvious because over this bridge \$1 billion of freight pass every day. The Brent Spence Bridge is the poster child of aging and inadequate infrastructure in our country.

I want thank Congressman Chabot for all he has done over the years to put the needs of the Brent Spence Bridge front and center for the Congress.

If you look at the traffic on the Brent Spence Bridge, you will not only see hundreds of semi-trailer trucks, but you will see thousands of panel trucks; trucks like my company's. Every day, those small trucks, carrying so much of our region's and our nation's economy, fight thousands of hours of delay to get to our customers.

It will cost \$2.5 billion to replace the Brent Spence Bridge; that is a very large number. However, if you do the math, we would pay for the bridge in about two years by savings in fuel and time.

I am sure that many committees do important work to keep our economy the strongest in the world, grow the job base to promote an enviable standard of living and make our future bright. However, to me, it is your committee that is vitally important to my employees and their families. You have their interests before you and you have the critical charge to help all small business share in bounty of great economy. For that, I thank you and I wish the best of good fortune in carrying out your important duties

JIM HAGEDORN
1st District, Minnesota

www.hagedorn.house.gov

COMMITTEE ON AGRICULTURE

COMMITTEE ON SMALL BUSINESS

Congress of the United States
House of Representatives
Washington, DC 20515-2301

WASHINGTON OFFICE
325 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 725-2472

MAKATO OFFICE
11 CIVIC CENTER PLAZA, SUITE 301
MAKATO, MN 56001
(507) 323-6090

ROCHESTER OFFICE
1530 GREENWAY DR. SW, SUITE 207
ROCHESTER, MN 55902
(507) 323-6090

March 6, 2019

Small Business Committee Hearing Opening Remarks

"Rebuilding America: Small Business Perspective"

I would like to thank our witnesses for addressing our committee today. I look forward to hearing how we can work to support our small business communities and spur economic growth more broadly through improvements in infrastructure.

Whether that is how information services like the internet can connect main street businesses to the global marketplace or how we ensure that goods and services are transported most efficiently over our roads, highways, and bridges, investments in infrastructure will be key to maximizing productivity and opportunity for small businesses.

In Minnesota's 1st District, US-14, going from Springfield to Winona is the most densely populated highway corridor in the entire state of Minnesota without a continuous 4 lane connection.¹ This highway serves as the main corridor for over 350,000 people, and is desperate need of repair and expansion.

Small business leaders and others consistently tell me that infrastructure improvements are first on their mind when asked how Congress can assist them. I would like to thank each of you again for taking the time to speak with us today so that we can go more in depth on this important issue.



Jim Hagedorn
Member of Congress

¹ <https://greatermakatoblog.com/2016/01/21/highway-14-the-most-densely-populated-highway-corridor-in-minnesota-without-a-continuous-four-lane-connection/>

Highway 14 The most densely populated highway corridor in Minnesota without a continuous four-lane connection.



*Populations are based on the total population of each county that contains a segment of the indicated highway corridor. Data compiled and graphics created by Greater Mankato Growth.