

ORGANIZATIONAL MEETING

MEETING
BEFORE THE
COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

MEETING HELD
JANUARY 26, 2011



Small Business Committee Document Number 111-001
Available via the GPO Website: <http://www.access.gpo.gov/congress/house>

U.S. GOVERNMENT PRINTING OFFICE

65-194

WASHINGTON : 2011

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ORGANIZATIONAL MEETING

WEDNESDAY, JANUARY 26, 2011

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

The Committee met, pursuant to call, at 1 p.m., in Room 2360, Rayburn House Office. Hon. Sam Graves [chairman of the Committee] presiding.

Present: Representatives Graves, Bartlett, Chabot, Coffman, Ellmers, Herrera Beutler, Fleischmann, Tipton, Walsh, West, Velázquez, Schrader, Critz, Altmire, Chu, Cicilline, and Peters.

Chairman GRAVES. We will go ahead and get started. I will call the Small Business Committee organization meeting to order. I want to welcome all the returning Members and new Members of the Committee. I know they are excited to dive into this Committee and get to work, which is exactly what we are going to do.

In the essence of time because we have got a vote coming up right away, I will introduce the eight new Republican Members. We have got Congresswoman Renee Ellmers, who was a nurse from North Carolina before her election. Congresswoman Jaime Herrera Beutler, who is returning to Washington, D.C., after having once been an aide to Congresswoman McMorris Rodgers and represents the 3rd District of Washington. Congressman Chuck Fleischmann practiced law in Tennessee prior to his election. Congressman Jeff Landry successfully ran for office from Louisiana while operating a small oil services business. Congressman Mick Mulvaney, also an attorney, served in the South Carolina State Legislature. Congressman Scott Tipton ran a small business and served in the Colorado Legislature before winning his election. Congressman Joe Walsh helped small businesses raise capital in Illinois and brings experience, a lot of experience, to this Committee. And Congressman Allen West served his country in the military and now serves his Florida constituents in Congress.

I would also like to welcome those returning Members back: Mr. Bartlett from Maryland, Mr. Chabot from Ohio, Mr. Coffman from Colorado, and Mr. King from Iowa.

And now I will yield to Ranking Member Velázquez to introduce her Members.

Ms. VELÁZQUEZ. I, too, want to welcome the returning Members and new Members. We have six new Members on our side: Representative Judy Chu of California. This is her second term in Congress and first with the Committee. She will be the Ranking Member for the Subcommittee on Contracting and Work Force. Representative David Cicilline of Rhode Island. This is his first term

in Congress and he will serve on the Committee on Foreign Affairs in addition to this Committee. Representative Richmond of Louisiana. This is his first term and he will be the ranking on the Subcommittee on Health Care and Technology. Representative Gary Peters of Michigan. This is his second term in Congress and first with the Committee. And Representative Bill Owens of New York. He was first selected in 2009 to fill the seat vacated by John McHugh. And we have Representative Bill Keating of Massachusetts. This is his first term in office.

Returning Members: Mr. Schrader of Oregon. This is his second term. Mark Critz of Pennsylvania. He was first elected to Congress in early 2010 to fill the seat vacated after Congressman Murtha passed away. Representative Jason Altmire of Pennsylvania. This is his third term in Congress and on the Committee. And Representative Yvette Clarke of New York, also in her third term in office and with the Committee.

Thank you.

Chairman GRAVES. Thank you very much. As chairman of the Committee I definitely want to set the right tone and I would like to retain the tradition of bipartisanship on this Committee that stretches all the way back to another Missourian, former Congressman Chairman Jim Talent. Ranking Member Velázquez continued the efforts obviously in the 110th and 111th Congress, which I appreciated very much. And although we have differences on policy, I strongly believe that there are many issues which we have found and will continue to find common ground on that is going to help small businesses by eliminating unnecessary programs and regulations and improving the efficiency of the Small Business Administration when it comes to dealing with entrepreneurs.

I believe that the rules package and oversight plan under consideration today is going to lay the groundwork for finding those areas that we have in common while it maintains the highest levels of civility when we discuss our differences.

And I will now yield to Ranking Member Velázquez for her opening statement.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman. I want to, as I said before, welcome all the returning Members and the new Members. And this should be a very busy two years, and we look forward to continuing our work on behalf of our nation's small businesses. And I welcome your comments about working in a bipartisan way. As I have always stated in the past, there is no Republican or Democratic approach to deal with the many issues that we need to tackle in terms of small businesses in our country. It has been said in the past both Republicans and Democrats want and need small firms to succeed and create jobs in our communities.

Mr. Chairman, regarding our Committee's rules, they are not only a vital institutional requirement, but they also set clear parameters for how we will operate. More importantly, they contain protections to ensure that all points of views are considered. The rules foster an environment that facilitates respectful dialogue, irrespective of ideological beliefs. We have Members from all across the country representing rural and urban areas, North and South, East and West. Their viewpoints inform our hearings and strengthen the legislation we produce.

As a result of these procedures, transparency is enhanced and information is made more readily available. Doing so enables Members, as well as the public, to follow and participate in congressional proceedings more fully. Increasing the quality and quantity of this information is essential as it demystifies the work we do on Capitol Hill, permitting us to better connect with those we serve. A committee that is run openly and with a sense of comity is a committee that works and can best achieve its objective. It is my hope that the rules we consider today will make this happen. Through their adoption we will start the 112th Congress in a way that permits us to work across the aisle and to solve the many issues facing small businesses in America.

And I yield back to the Chairman. Thank you.

Chairman GRAVES. Thank you. And I want to say outright to you that I want to thank the minority and majority staffs for their hard work and cooperation putting together this rules package. I will highlight some of the changes real quick which I think are going to provide a lot more transparency.

First of all, in an effort to keep all the Members informed, materials for markups and hearings are going to be distributed as soon as possible. In fact, even sooner than what the House rules require.

Second, Members, I know everybody is busy with a lot of things out there, so the length of hearings are going to be kept as short as possible by limiting the number of total nongovernment witnesses.

And third, the public will be continually informed on Committee activities through live streaming of Committee hearings and posting of material distributed to Members and their votes during markup on the Committee's website. All of these efforts, I think, are going to ensure greater efficiency and operation of the Committee and it is going to allow us to focus on the critical policy needs of small businesses.

In addition to efficiency and transparency of Committee operations, I believe the rules package protects the rights of the minority by allowing it to control its budget and ensuring that subpoenas in most instances are going to be considered by the full Committee prior to issuance.

So I now recognize Ranking Member Velázquez for her remarks, if she has any, on the rule package.

Ms. VELÁZQUEZ. I made my remarks.

Chairman GRAVES. Okay. So are there any other Members that have any comments on the rules package?

And if not, we will just move straight forward.

I would now move that the Committee move to consideration of the rules package, and The Clerk can read them.

Ms. CHRISTIAN. Rules and Procedures Adopted by the Committee on Small Business, United States House of Representatives, 112th Congress.

Chairman GRAVES. Okay. I would ask unanimous consent that the rules package be considered as read and open for amendment in its entirety. Does any Member seek recognition for the purpose of offering an amendment?

Seeing no amendments to the question on adopting the rules, all those in favor say aye.

[Chorus of ayes]

Chairman GRAVES. All opposed, no? It is the opinion of the Chair that the ayes have it. The Rules of the Small Business Committee of the 112th Congress are now adopted.

Today's second order of business is to consider the Committee's Oversight Plan. This plan represents the agenda for the Committee during the 112th Congress. I want to thank Ranking Member Velázquez for her input into this Oversight Plan. During my tenure on this Committee I have recognized significant management issues at the Small Business Administration, discovered that small businesses obviously must climb substantial barriers to enter Federal contracting markets. We determined that Federal agencies ignore the impact of their regulations on entrepreneurs in many cases. I believe that the Oversight Plan reflects those concerns and sets an appropriately aggressive agenda for the Committee to develop policies that will benefit small businesses and help the economy create much needed jobs.

With that, I would yield to Ranking Member Velázquez for any comments she has on the Oversight Plan.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman.

The Oversight Plan sets forth a policy framework for this Congress and the Chairman is to be commended on producing a thoughtful document. While our broad jurisdiction provides the basis to look into just about any policy matter affecting small businesses, I am heartened by its emphasis on job creation. This is a very appropriate use of our Committee's time and resources. It calls for the robust oversight of the Small Business Administration and other Federal small business initiatives, a long tradition that this Committee takes seriously. A recent examination of the Small Business Disaster and Contracting Program has produced positive changes and are but two examples of the benefits that congressional oversight can produce.

Finally, the Oversight Plan delineates several programs for review and possible termination. Our past work has revealed that there are agency programs that lack a clear focus and may be duplicative. It has always been a part of our core responsibility to carefully examine such instances and consider alternative options as well as their elimination. This is central to why I have always advocated for the two-year authorization period for the Small Business Administration and its programs.

Federal agencies must justify the programs they operate regularly and Congress should be seeking feedback from stakeholders about what is working and what is not. Collaborating with my colleagues on these matters and making the SBA more efficient in its use of taxpayer dollars is a top priority. Congress needs a clear agenda for assisting small firms, and it is paramount that we start addressing these issues as soon as possible. By doing so we have the potential to truly help create new jobs and move the economy forward.

With that, I urge Members to approve this Oversight Plan.

Chairman GRAVES. In the essence of time, because we have votes at 1:15, I will move directly to the consideration of the Oversight Plan. Will the Clerk please read the title?

Ms. CHRISTIAN. Oversight Plan of the Committee on Small Business for the 112th Congress.

Chairman GRAVES. I would ask unanimous consent that the Oversight Plan be considered as read and open for amendment in its entirety. Does any Member seek recognition for the purpose of offering an amendment?

Seeing no amendments the question is on adopting the oversight package. All of those in favor say aye.

[Chorus of ayes]

Chairman GRAVES. All opposed say no.

It is the opinion of the chair that the ayes have it. The Oversight Plan for the Small Business Committee of the 112th Congress is adopted.

With that real quick, and since they called the roll, I do want to thank Ranking Member Velázquez for the way the Committee worked. And for the new Members, this Committee does a real good job of working together in the best interest of small business. And it has always been that way and I want it to continue that way.

Chairwoman Velázquez had a gavel that she used which I thought was pretty neat because it was part of her native Puerto Rico. It was special wood that came from there and I told her if she was smart she would get a Missouri walnut gavel, which I have for her now, which I am going to give to her. But this gavel, my great, great grandparents built a house on one of our farms in 1865, and the wood out of that house, when my brother took that over, we kept a bunch of it and this is part of the stair railing that went down to the basement in that house. And my son turned this gavel, made it. This is real Missouri walnut and it came out of my family's home.

We could not have two districts that are completely different. I drove through the Ranking Member's district here not too long ago. You did not know that. And I think the only thing that we have in common is she represents the only tri-borough district in the country and I have the town of Westboro in my district. And I think that is the only thing that we have in common between us.

But with that, this is a Missouri walnut gavel and I wanted to give that to you.

Ms. VELÁZQUEZ. Thank you so much. Thank you. Thank you.

You might be looking for trouble.

Chairman GRAVES. That's right.

Ms. VELÁZQUEZ. Thank you very much. Very kind. And for the new Members who were not here when we made our opening remarks, let me just echo the words and comments made by our Chairman. Here we care about providing the tools and making sure that we have a climate that is conducive for small businesses to do what they do best and that is to create jobs. We work in a bipartisan way. We have done it in the past and I look forward to a collaborative and productive two years. That will not mean that we do not have our differences.

Chairman GRAVES. That is right.

Ms. VELÁZQUEZ. And they will be clearly stated. But as much as we can, we will address those issues in a bipartisan climate.

Chairman GRAVES. I want to thank everybody for coming. I look forward to working with you. So this meeting of the Small Business Committee is adjourned.

[Whereupon, at 1:14 p.m., the Committee was adjourned.]

Rules and Procedures

Adopted by the

Committee on Small Business

United States House of Representatives

112th Congress, 2011-12

1. GENERAL PROVISIONS

The Rules of the House of Representatives, in total (but especially with the operations of committees Rule X, cl. 1(p), cl. 2, cl. 3(l), and Rule XI) are the rules of the Committee on Small Business to the extent applicable and are incorporated by reference. Each Subcommittee of the Committee on Small Business (“the Committee”) is a part of the Committee and is subject to the authority and direction of the Committee, and to the rules of the House and the rules adopted herein to the extent applicable.

2. REFERRAL OF BILLS BY THE CHAIR

The Chair will retain consideration of all legislation referred to the Committee by the Speaker. No action will be required of a Subcommittee before legislation is considered for report by the Committee. Subcommittee chairs, pursuant to the rules set out herein, may hold hearings on any bill referred to the Committee.

3. DATE OF MEETING

The regular meeting date of the Committee shall be the second Wednesday of every month when the House is in session. The Chair may dispense with the meeting of the Committee, if in the sole discretion of the Chair, there is no need for such meeting. Additional meetings may be called as deemed necessary by the Chair or at the request of the majority Members of the Committee pursuant to Rule XI, cl. 2(c) of the rules of the House.

At least 3 days notice of such an additional meeting shall be given unless the Chair, with the concurrence of the Ranking Minority Member, determines that there is good cause to call the meeting on less notice or upon a vote by a majority of the Committee (a quorum being present). To the extent possible, the three days shall be counted from the 72 hours before the time of the meeting. Announcements of the meeting shall be published promptly in the Daily Digest and made publicly available in electronic form.

The determination of the business to be considered at each meeting shall be made by the Chair subject to limitations set forth in House Rule XI, cl. 2(c).

The Chair shall provide to each Member of the Committee, to the extent practicable, at least 48 hours in advance of a meeting, a copy of the bill, resolution, report or other item to be considered at the meeting, but no later than 24 hours before the meeting. Such material also shall be made available to the public at least 24 hours in advance in electronic form.

The rules for notice and meetings as set forth in Rule 3 of these Rules shall not apply to special and emergency meetings. Clause 2(c)(2) of Rule XI and clause 2(g)(3)(A) of Rule XI of the Rules of the House, as applicable, shall apply to such meetings.

A record vote of the Committee shall be provided on any question before the Committee upon the request of any Member of the Committee. A record of the vote of each Member of the Committee on a matter before the Committee shall be available in electronic form within 48 hours of such record vote, and, with respect to any roll call vote on any motion to amend or report, shall be included in the report of the Committee showing the total number of votes cast for and against and the names of those Members voting for and against.

The Chair of the Committee shall, not later than 24 hours after consideration of a bill, resolution, report or other item cause the text of the reported item and any amendment adopted thereto to be made publicly available in electronic form.

4. Announcement of Hearings

Public announcement of the date, place, and subject matter of any hearing to be conducted by the Committee shall be made no later than 7 calendar days before the commencement of the hearing. To the extent possible, the seven days shall be counted from 168 hours before the time of the Committee's hearing.

The Chair, with the concurrence of the Ranking Minority Member, or upon a vote by the majority of the Committee (a quorum being present), may authorize a hearing to commence on less than 7 calendar days notice.

A. *Witness Lists*

Unless the Chair determines it is impracticable to do so, the Committee shall make a tentative witness list available at the time it makes the public announcement of the hearing. If a tentative witness list is not made available at the time of the announcement of the hearing, such witness list shall be made available as soon as practicable after such announcement is made. A final witness list shall be issued by the Committee no later than 48 hours prior to the commencement of the hearing.

B. *Material for the Hearing*

The Chair shall provide to all Members of the Committee, as soon as practicable after the announcement of the hearing, a memorandum explaining the subject matter of the hearing and any official reports from departments and agencies on the subject matter of the hearing. Such material shall be made available to all Members of the Committee no later than 48 hours before the commencement of the hearing unless the Chair, after consultation with the Ranking Minority Member, determines that certain reports from departments or agencies should not be made available prior to the commencement of the hearing. Material provided by the Chair to all Members, whether provided prior to or at the hearing, shall be placed on the Committee website no later than 48 hours after the commencement of the hearing unless such material contains sensitive or classified information in which case such material shall be handled pursuant to Rule 15 of the Committee's Rules.

5. **Meetings and Hearings Open to the Public**

A. *Meetings*

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

The Chair and Ranking Minority Member are *ex officio* Members of all Subcommittees for the purpose of any meeting or hearing conducted by a Subcommittee.

B. Hearings

Each hearing conducted by the Committee or its Subcommittees shall be open to the public, including radio, television and still photography coverage. If the majority of Members of the Committee or Subcommittee present at the hearing, determine by a recorded vote in open session that all or part of the remainder of the hearing on that day shall be closed to the public because the disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade, or incriminate any person or otherwise would violate any law or rule of the House; *provided however*, that the Committee or Subcommittee may by the same procedure also vote to close one subsequent day of hearings. Notwithstanding the requirements of the preceding sentence, a majority of those present (if the requisite number of Members are present under Committee rules for the purpose of taking testimony) may vote: (i) to close the hearing for the sole purpose of discussing whether the testimony or evidence to be received would endanger the national security, would compromise sensitive law enforcement information, or violate Rule XI, cl. 2(k)(5) of the House or (ii) to close the hearing, as provided clause 2(k)(5) of Rule XI of the House.

The Chair and Ranking Minority Member are *ex officio* Members of all Subcommittees any hearing conducted by a Subcommittee. Members of the Committee who wish to participate in a hearing of the Subcommittee to which they are not Members shall make such request to the Chair and the Ranking Minority Member of the Subcommittee at the commencement of the hearing. The Chair, after consultation with the Ranking Minority Member of the Subcommittee, shall grant such request.

No Member of the House may be excluded from non-participatory attendance at any hearing of the Committee or any Subcommittee, unless the House of Representatives shall by majority vote authorize the Committee or Subcommittees, for purposes of a particular subject of investigation, to close its hearing to Members by the same procedures designated to close hearings to the public.

Members of Congress who are not Members of the Committee but would like to participate in a hearing shall notify the Chair and the Ranking Minority Member and submit a formal request no later than 24 hours before the commencement of the meeting or hearing.

To the maximum extent practicable, the Committee shall provide audio and video coverage of each hearing or meeting for the transaction of business in a manner that allows the public to easily listen and view the proceedings and shall maintain the recordings of such coverage in a manner easily accessible to the public.

6. Witnesses

A. Statement of Witnesses

Each witness who is to appear before the Committee or Subcommittee shall file an electronic copy of the testimony with the Committee and the Ranking Minority Member no later than 48 hours before the commencement of the hearing. In addition, the witness shall provide 75 copies of the testimony by the commencement of the hearing. The Chair may waive the requirement by the witness providing 75 copies in which case the Committee or Subcommittee shall provide the 75 copies.

Each non-governmental witness shall provide to the Committee and the Ranking Minority Member, no later than 48 hours before the commencement of the hearing, a curriculum vitae or other statement describing their education, employment, professional affiliation or other background information pertinent to their testimony.

As required by Rule XI, cl. 2(g) of the Rules of the House, each non-governmental witness before the commencement of the hearing shall file with the Chair a disclosure form detailing any contracts or grants that the witness has with the federal government.

The failure to provide the materials set forth by the deadlines set forth in these rules may be grounds for excluding both the oral and written testimony of the witness unless waived by the Chair of the Committee or Subcommittee.

The Committee will provide public access to printed materials, including the testimony of witnesses in electronic form on the Committee's website no later than 24 hours after the hearing is adjourned. Supplemental material provided after the hearing adjourns, shall be placed on the Committee website no later than 24 hours after receipt of such material.

B. Number of Witnesses and Witnesses Selected by the Minority

For any hearing conducted by the Committee or Subcommittee there shall be no more than four non-governmental witnesses of which the Ranking Minority Member of the Committee or Subcommittee (as appropriate) is entitled to select one witness for the hearing. Witnesses selected by the Ranking Minority Member of the Committee or Subcommittee shall be invited to testify by the Chair of the Committee or Subcommittee (as appropriate). Rule 6(A) shall apply with equal force to witnesses selected by the Ranking Minority Member of the Committee or Subcommittee.

The limitations set forth in the preceding paragraph shall not apply if the Committee holds a hearing to honor the work of the small business community in conjunction with the annual celebration of Small Business Week. Witness limitations for such a

hearing shall be determined by the Chair in consultation with the Ranking Minority Member.

C. Interrogation of Witnesses

Except when the Committee adopts a motion pursuant to subdivisions (B) and (C) of clause 2(i)(2) of Rule XI of the Rules of the House, Committee Members may question witnesses only when they have been recognized by the Chair for that purpose.

The Chair and Ranking Minority Member of the Committee or Subcommittee shall face no limitation on the length of the time that they may question a witness. After recognition by the Chair, other Members shall have the opportunity, as set forth in Rule XI, cl. 2 (j) of the Rules of the House, to question each witness on the panel for a period not to exceed five minutes.

For any hearing, the Chair of the Committee or Subcommittee may offer a motion to extend the questioning of a witness or witnesses by Members other than the Chair or Ranking Minority Member identified in the motion for more than five minutes as set forth in Rule XI, cl. 2(j)(B).

The Chair of the Committee or Subcommittee shall commence questioning followed by the Ranking Minority Member. Thereafter, questioning shall alternate between the majority and minority Members by the time in which the Member arrived at the hearing after the gavel has been struck to commence the hearing, with the first arriving having priority over Members of his or her party. If Members arrive simultaneously or are there prior to the gavel being struck to commence the hearing, order of questioning shall be based on seniority.

In recognizing Members to question witnesses, the Chair may take into consideration the ratio of majority and minority Members present in such a manner as to not disadvantage the Members of either party.

7. Subpoenas

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

8. Quorum

A quorum, for purposes of reporting a measure or recommendation, shall be a majority of the Committee Members. For purposes of taking testimony or receiving evidence, a quorum shall be one Member from the Majority and one Member from the Minority. The Chair of the Committee or Subcommittee shall exercise reasonable comity by waiting for the Ranking Minority Member even if a quorum is present before striking the gavel to commence the hearing. For hearings held by the Committee or a Subcommittee in a location other than the Committee's hearing room in Washington, DC, a quorum shall be deemed to present if the Chair of the Committee or Subcommittee is present.

9. Amendments during Mark-Up

Any amendment offered to any pending legislation before the Committee must be made available in written form by any Member of the Committee. If such amendment is not available in written form when requested, the Chair shall allow an appropriate period for the provision thereof. Such period shall not prejudice the offering of such amendment.

For amendments to be accepted during mark-up, there is no requirement that the amendments be filed prior to commencement of the mark-up or prepared with the assistance of the Office of Legislative Counsel. Even though it is not necessary, Members seeking to amend legislation during mark-up should draft amendments with the assistance of the Office of Legislative Counsel and consult with the Chair or Ranking Member's staff (as appropriate) in the preparation of such amendments.

10. Postponement of Proceedings

The Chair in consultation with the Ranking Minority Member may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chair may resume postponed proceedings, but no later than 24 hours after such postponement, unless the House is not in session or there are conflicts with Member schedules that make it unlikely a quorum will be present to conduct business on the postponed proceeding. In such cases, the Chair will consult with Members to set a time as early as possible to resume proceedings but in no event later than the next meeting date as set forth in Rule 3 of these Rules. When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further debate or amendment to the same extent as when the question was postponed.

11. Number and Jurisdiction of Subcommittees

There will be five Subcommittees as follows:

The Subcommittee on Agriculture, Energy and Trade

This Subcommittee (which will consist of seven (7) Republican Members and five (5) Democratic Members) will address policies that enhance rural economic growth, increasing America's energy independence and ensuring that America's small businesses can compete effectively in a global marketplace.

- Oversight of agricultural policies.
- Oversight of environmental issues and regulations (including agencies such as the Environmental Protection Agency and the Army Corps of Engineers).
- Oversight of energy issues, including expansion of domestic resources whether they are renewable or non-renewable.
- Oversight of international trade policy with particular emphasis on agencies that provide direct assistance to small businesses, such as: the Small Business Administration's (SBA) Office of International Trade, the Department of Commerce's United States Export Assistance Centers, the Department of Agriculture's Foreign Agricultural Service, and the Export-Import Bank.
- Oversight of infringement of intellectual property rights by foreign competition.

The Subcommittee on Healthcare and Technology

This Subcommittee (which will consist of eight (8) Republican Members and five (5) Democratic Members) will address how healthcare policies may inhibit or promote economic growth and job creation by small businesses. In addition, the Subcommittee will examine small business job growth through the creation and adoption of advanced technologies.

- Oversight of the implementation of the Patient Protection and Affordable Care Act.
- Oversight of availability and affordability of healthcare coverage for small businesses.
- Oversight of general technology issues, including intellectual property policy in the United States.
- Oversight of United States telecommunications policies including, but not limited to, the National Broadband Plan and allocation of electromagnetic spectrum.
- The Small Business Innovation Research Program.
- Small Business Technology Transfer Program.

The Subcommittee on Economic Growth, Tax and Capital Access

This Subcommittee (which will consist of seven (7) Republican Members and five (5) Democratic Members) will evaluate the operation of the financial markets in the United States and their ability to provide needed capital to small businesses. In addition, the Subcommittee will review federal programs, especially those overseen by the SBA, aimed at assisting entrepreneurs in obtaining needed capital. Since the tax policy plays an integral role in access to capital, this Committee also will examine the impact of federal tax policies on small businesses.

- Oversight of capital access and financial markets.
- Implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- SBA financial assistance programs, including guaranteed loans, microloans, certified development company loans, and small business investment companies.
- Oversight of the Department of Agriculture business and industry guaranteed loan program.
- Oversight of general tax policy affecting small businesses.
- The management of the SBA disaster loan program.

The Subcommittee on Investigations, Oversight and Regulations

This Subcommittee (which will consist of seven (7) Republican Members and five (5) Democratic Members) will probe the efficient operation of government programs that affect small businesses, including the SBA, and develop proposals to make them operate in a more cost-effective manner. This Subcommittee also will review the regulatory burdens imposed on small businesses and how those burdens may be alleviated.

- Oversight of general issues affecting small businesses and federal agencies.
- Oversight of the management of the SBA.
- Oversight of the SBA Inspector General.
- Implementation of the Regulatory Flexibility Act.
- Oversight of the Office of Information and Regulatory Affairs at the Office of Management and Budget.
- Use of the Congressional Review Act.
- Transparency of the federal rulemaking process as required by the Administrative Procedure and Data Quality Acts.
- Implementation of the Paperwork Reduction Act.

The Subcommittee on Contracting and Workforce

This Subcommittee (which will consist of seven (7) Republican Members and five (5) Democratic Members) will assess the federal procurement system, including those

programs designed specifically to enhance participation by small businesses in providing goods and services to the federal government. The Subcommittee will examine various programs designed to provide technical assistance to small businesses, whether specifically aimed at federal contractors or small businesses in general. Finally, the Subcommittee will review the broad scope of workforce issues that affect the ability of small businesses to obtain and maintain qualified employees.

- Oversight of government-wide procurement practices and programs affecting small businesses.
- Oversight of federal procurement policies that inhibit or expand participation by small businesses in the federal contracting marketplace.
- All contracting programs established by the Small Business Act, including HUBZone, 8(a), Women-, and Service Disabled Veteran-Owned Small Business Programs.
- Technical assistance provided to federal contractors and perspective contractors through SBA personnel, Offices of Small and Disadvantaged Business Utilization, and Procurement Technical Assistance Centers.
- The SBA Surety Bond guarantee program.
- Oversight of all federal policies that affect the workforce including, but not limited to, the roles of the Department of Labor and the National Labor Relations Board.
- SBA entrepreneurial development and technical assistance programs unrelated to participation in the federal government contracting.

12. Powers and Duties of Subcommittees

Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on any matters referred to it. Prior to the scheduling of any meeting or hearing of a Subcommittee, the Chair of the Subcommittee shall obtain the approval of the Chair of the Committee.

No hearing or meeting of a Subcommittee shall take place at the same time as the meeting or hearing of the full Committee or another Subcommittee, *provided however*, that the Subcommittee Chairs may hold field hearings that conflict with those held by other Subcommittees of the Committee.

13. Committee Staff

A. Majority Staff

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

B. Minority Staff

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

C. Subcommittee Staff

There shall be no separate staff assigned to Subcommittees. The Chair and Ranking Member shall endeavor to ensure that sufficient committee staff is made available in order that each Subcommittee may carry out the responsibilities set forth in Rule 11, *supra*.

14. Records

The Committee shall keep a complete record of all actions, which shall include a record of the votes on any question on which a recorded vote is demanded. The result of any vote by the Committee, or if applicable by a Subcommittee, included a voice vote shall be posted on the Committee's website within 24 hours after the vote has been taken. Such record shall include a description of the amendment, motion, order, or other proposition, the name of the Member voting for and against such amendment, motion, order, or other proposition, and the names of Members present but not voting. For any amendment, motion, order, or other proposition decided by voice vote, the record shall include a description and whether the voice vote was in favor or against.

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

The records of the Committee at the National Archives and Records Administration shall be made available in accordance with Rule VII of the Rules of the House. The Chair of the Committee shall notify the Ranking Member of the Committee of any decision, pursuant to Rule VII, cl. 3(b)(3) or cl. 4 (b), to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination of the written request of any Member of the Committee.

The Committee Rules shall be made publicly available in electronic form and published in the Congressional Record not later than 30 days after the Chair of the Committee is elected in each odd-numbered year.

15. Access to Classified or Sensitive Information

Access to classified or sensitive information supplied to the Committee or Subcommittees and attendance at closed sessions of the Committee or a Subcommittee shall be limited to Members and necessary Committee staff and stenographic reporters who have appropriate security clearance when the Chair determines that such access or attendance is essential to the functioning of the Committee or one of its Subcommittees.

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

- (A) Only Members of the House of Representatives and specifically designated Committee staff of the Committee on Small Business may have access to such information.
- (B) Members who desire to read materials that are in possession of the Committee shall notify the Clerk of the Committee in writing.
- (C) The Clerk of the Committee will maintain an accurate access log, which identifies the circumstances surrounding access to the information, without revealing the material examined.
- (D) If the material desired to be reviewed is material which the Committee or Subcommittee deems to be sensitive enough to require special handling, before receiving access to such information, individuals will be required to sign an access information sheet acknowledging such access and that the individual has read and understands the procedures under which access is being granted.
- (E) Material provided for review under this rule shall not be removed from a specified room within the Committee offices.
- (F) Individuals reviewing materials under this rule shall make certain that the materials are returned to the proper custodian.
- (G) No reproductions or recordings may be made of any portion of such materials.
- (H) The contents of such information shall not be divulged to any person in any way, form, shape, or manner and shall not be discussed with any person who has not received the information in the manner authorized by the rules of the Committee.
- (I) When not being examined in the manner described herein, such information will be kept in secure safes or locked file cabinets within the Committee offices.
- (J) These procedures only address access to information the Committee or Subcommittee deems to be sensitive enough to require special treatment.
- (K) If a Member of the House of Representatives believes that certain sensitive information should not be restricted as to dissemination or use, the Member may petition the Committee or Subcommittee to so rule. With respect to information and materials provided to the Committee by the Executive Branch or an independent agency as that term is defined in 44 U.S.C. § 3502, the classification of information and materials as determined by the Executive Branch or

independent agency shall prevail unless affirmatively changed by the Committee or Subcommittee involved, after consultation with the Executive Branch or independent agency.

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

16. Other Procedures

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

17. Amendments to Committee Rules

The rules of the Committee may be modified, amended or repealed by a majority vote of the Members, at a meeting specifically called for such purpose, but only if written notice of the proposed change or changes has been provided to each Member of the Committee at least 72 hours prior to the time of the meeting of the Committee to consider such change or changes.

18. Budget and Travel

From the amount provided to the Committee in the primary expense resolution adopted by the House of Representatives in the 112th Congress, the Chair, after consultation with the Ranking Minority Member, shall designate one-third of the budget under the direction of the Ranking Minority Member for the purposes of minority staff, travel expenses of minority staff and Members, and minority office expenses.

The Chair may authorize travel in connection with activities or subject matters under the legislative or oversight jurisdiction of the Committee as set forth in Rule X of the Rules of the House.

The Ranking Minority Member may authorize travel for any Minority Member or staff of the minority in connection with activities or subject matters under the Committee's jurisdiction as set forth in Rule X of the Rules of the House. Before such travel, there shall be submitted to the Chair of the Committee in writing the following at least seven (7) calendar days prior specifying: a) the purpose of the travel; b) the dates during which the travel is to occur; c) the names of the states or countries to be visited and the length of time spent in each; and d) the names of Members and staff of the Committee participating in such travel. Prior approval shall not be required of Minority Staff ~~traveling~~ to participate in a deposition, authorized by the Chair in rule 16 of these Rules of an individual located outside of Washington, DC metropolitan area.

19. Committee Website

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

20. Vice Chair

Pursuant to the Rules of the House, the Chair shall designate a Member of the Majority to serve as Vice Chair of the Committee. The Vice Chair shall preside at any meeting or hearing during the temporary absence of the Chair. The Chair also reserves the right to designate a Member of the Committee Majority to serve as the Chair at a hearing or meeting.

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January 28, 2011

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
2157 Rayburn HOB
Washington, DC 20515

Dear Chairman Issa:

As per House Rule X (2)(d)(1), I am pleased to enclose a copy of the Oversight Plan of the Committee on Small Business. The enclosed document was drafted in consultation with the Ranking Minority Member, and was approved by a vote _____ during the Committee's organizational meeting on January 26, 2011 a quorum being without amendment.

Sincerely yours,

Sam Graves
Chairman

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

January 26, 2011, Approved by the Committee on Small Business

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

REPORT

Rule X, cl. 2(d)(1) of the Rules of the House requires each standing Committee to adopt an oversight plan for the two-year period of the Congress and to submit the plan to the Committees on Government Reform and House Administration not later than February 15 of the first session of the Congress. Under Rule X, the Committee has oversight authority to investigate and examine any matter affecting small business. This Report reflects that broad oversight jurisdiction.

Pursuant to Rule X, cl. 2(d)(1)(F), this oversight plan also includes from proposals to cut or eliminate programs that are inefficient, duplicative, outdated, or more appropriately administered by State or local governments.

Oversight of Federal Capital Access Programs

The Committee will conduct the hearings and investigations into Small Business Administration (SBA) and other federal agencies that provide capital to America's entrepreneurs that may include any or all of the following as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Effectiveness of the capital access programs to generate jobs in the fastest growing small businesses.
- Whether lenders are meeting their goals to lend to small businesses and create jobs.
- Risk to the taxpayers of the capital access programs and if those risks are not reasonable, then elimination of those programs.
- Adequacy of SBA oversight of its lending partners to ensure that federal taxpayers are properly protected.
- Capabilities of the SBA information technology to manage the loan portfolio.
- Appropriateness of ad hoc guidance documents in regulating lenders and borrowers.
- The exercise of discretion by SBA to create pilot programs and the risk they pose to the taxpayer and whether such authority should be curtailed or eliminated.
- Whether SBA disaster loan program and its oversight ensures that small businesses are able to revive to rebuild communities without unduly placing the federal taxpayer at risk.

- Efficacy and duplication of federal capital access programs offered by the Department of Agriculture to small businesses in rural areas.
- Utilization by small businesses of export capital programs at the Export-Import Bank and the Overseas Private Investment Corporation.
- Effectiveness of the Small Business Lending Fund and State Small Business Credit Initiative created by Pub. L. No. 111-240, the Small Business Jobs Act of 2010.
- Impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 on small business access to capital.

In performing oversight, the Committee will focus on particularly risky aspects of financial assistance programs including, but not limited to, commercial real estate refinancing, premier certified lenders, participating security small business investment companies, small business lending companies, express lenders, loan programs utilizing simplified lending applications, and disaster loans offered by private lenders through interest rate subsidies.

Oversight of SBA and Other Federal Entrepreneurial Development Programs

The Committee will conduct the hearings and investigations into the SBA programs that provide training and advice to small businesses that may include any or all of the following as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Examining effectiveness of SBA entrepreneurial development programs in creating jobs.
- Determining whether certain programs should be eliminated as a result of their ineffectiveness or duplication of programs provided by other agencies.
- Suggesting methods for enhancing coordination among federal agencies in providing assistance to entrepreneurs.
- Enhancing the efficacy and utilization of the Manufacturing Extension Partnership at the Department of Commerce.
- Recommending improvements in assistance to small businesses that participate in the production of value-added agricultural products.
- Increasing effectiveness of technical assistance provided to small businesses involved in the production of renewable and non-renewable energy sources.

Oversight of Federal Government Contracting Matters

The Committee will conduct hearings and investigations into the federal procurement system that may include any or all of the following as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Whether fraud or other problems exist in the federal government contracting programs overseen by the SBA including the 8(a), HUBZone, service-disabled

veteran, women-owned contracting program, and Small Business Innovation Research program.

- Effectiveness of SBA contracting programs to increase participation by small businesses in federal procurement.
- Effectiveness of federal agency protections against contract bundling and consolidation.
- The accuracy and utility of SBA size standards and federal procurement databases.
- Operation and effectiveness of federal agency assistance provided to small businesses interested in federal procurement, including that provided by the SBA, Offices of Small and Disadvantaged Business Utilization and Procurement Technical Assistance Centers.
- Development of federal acquisition policies and whether small businesses have sufficiently effective voice in development of such policies.
- Cost-effectiveness of outsourcing government work to private enterprise rather than expanding the government to do provide the good or service internally (i.e., government insourcing).

In performing oversight, the Committee will focus its efforts on uncovering abuse and misuse of the small business designation to obtain federal government contracts.

Oversight of SBA Management

The Committee will conduct the hearings and investigations into the management of the SBA that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- The appropriate mission of the SBA.
- Whether agency employees in the field are empowered to assist small businesses.
- Duplication of offices and missions at SBA headquarters.
- Effectiveness of personnel management to ensure that employees are rewarded for assisting small businesses.
- Capabilities of SBA employees to provide proper assistance to small business owners.

In carrying out this oversight, the Committee will focus particularly on streamlining and reorganizing of the agency's operations to provide maximum assistance to small business owners. Offices that primarily provide assistance or advice to headquarters staff that do not promote the interests of small businesses or protect the federal government as a guarantor of loans will be recommended for cuts or elimination. For some potential offices in which the Committee will examine, refer to the section title "Reductions in Programs and Spending."

Oversight of Federal Regulatory and Paperwork Burdens

The Committee will conduct hearings and investigations into unnecessary, burdensome, and duplicative federal rules, reporting and recordkeeping requirements affecting small businesses that that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Centers for Medicare and Medicaid Services.
- Consumer Financial Protection Bureau.
- Consumer Safety Products Commission.
- Department of Agriculture.
- Department of Energy, particularly the Office of Energy Efficiency and Renewable Energy.
- Department of Interior, particularly the Bureau of Land Management and Minerals Management Service.
- Department of Labor, particularly the Occupation Safety and Health Administration.
- Department of Homeland Security, particularly the Transportation Security Administration.
- Department of Transportation, particularly the Federal Aviation Administration and Federal Motor Carrier Safety Administration.
- Environmental Protection Agency.
- Federal Communications Commission.
- Federal Financial Institutions Examination Council and its constituent agencies.
- Food and Drug Administration.
- Office of Federal Procurement Policy.
- Securities and Exchange Commission.

The Committee will identify specific rules and regulations already issued or at the proposed rule stage to assess the impact on small businesses. The Committee will pay close attention to the effect that regulations have on the implementation of advanced technologies including, but not limited to, the deployment of broadband communications (either by wireline or wireless services) throughout the United States. Oversight of the regulatory process also will, to the extent relevant, examine the work of the Office of Information and Regulatory Affairs at the Office of Management and Budget. Special attention will be paid to the work performed by the Chief Counsel for Advocacy at the United States Small Business Administration to ensure that Office is fulfilling its mission to advocate vigorously on behalf of America's small business owners in regulatory matters at federal agencies. Finally, this oversight will entail an examination of compliance by federal agencies with amendments to Executive Order 12,866 and memoranda on regulatory flexibility and regulatory compliance issued by the President on January 18, 2011.

Oversight of Federal Tax Policy

The Committee will conduct hearings and investigations into the federal tax code, its impact on small business, and Internal Revenue Service's (IRS) collection of taxes that

may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Identification of tax code provisions that hinder the ability of small businesses to create jobs and recommendations for modifying those provisions to boost small business job growth.
- Examination of the structure of the tax code in order to simplify compliance for small businesses.
- Assessment of the recordkeeping and reporting requirements associated with tax compliance and suggestions for reducing such burdens on small businesses.
- Evaluation of the estate tax provisions to determine whether they inhibit the ability of successive generations to maintain successful job creating enterprises.
- Efficiencies at that the IRS that improve the interaction between the government and small business owners.
- Inefficiencies at the IRS that force small businesses to divert capital from job growth to tax compliance.

Oversight of Health Care Policy

The Committee will conduct hearings and investigations into federal health care policy (such as Medicare and Medicaid) and the implementation of the Patient Protection and Affordable Care Act that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- The cost of Patient Protection and Affordable Care Act to small businesses, including the self-employed.
- The impact of the Patient Protection and Affordable Care Act, Medicare and Medicaid on the ability of physicians, pharmacists, and allied health care providers to offer the best care possible to patients.
- Alternatives to the Patient Protection and Affordable Care Act that reduce health insurance costs to small businesses without inhibiting their ability to create jobs.
- The impact of state tort and insurance laws on the cost of medical care.
- Examination of increases in efficiencies that will improve the provision of health care while reducing costs to small businesses that offer their workers health insurance.

Oversight of Energy Policy

The Committee will conduct hearings and investigations into energy policy to reduce the cost of energy and increase energy independence that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Innovations developed by small businesses that increase energy independence.

- Federal regulatory policies that increase dependence on foreign sources of energy.
- Policies needed to incentivize production of energy in the United States.
- Examination of commercialization of research in renewable energy.
- Federal regulations or policies that increase energy costs for small businesses.

The primary thrust of the Committee's efforts will focus on efforts to use the innovation of America's entrepreneurs to fuel the drive for greater energy independence.

Oversight of Trade and Intellectual Property Policy

The Committee will conduct hearings and investigations into international trade and intellectual property policies of America and its trading partners that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Impact of free trade agreements to increase exports by American small businesses.
- Whether the federal government is doing enough to protect the intellectual property rights of small businesses by foreign competitors.
- The impact of federal intellectual property policies, particularly patents and copyrights, to protect the innovations of American entrepreneurs.
- Efforts to increase exports by small businesses.

The focus of oversight will emphasize the best mechanisms to promote and protect advanced technology innovations of small businesses.

Reductions in Programs and Spending

In addition to the programs and policies already cited, the Committee will examine and any all including, but not limited to, programs and offices listed below in order to find areas in which to reduce the federal deficit:

- Small Business Lending Fund operated by Department of Treasury.
- State Small Business Credit Initiative operated by Department of Treasury.
- Patriot Express Loan Program overseen by the SBA.
- Express Loan Program overseen by SBA.
- Emerging Leaders Initiative started by SBA.
- Drug-Free Workplace Program.
- SBA Office of Policy.
- SBA Regional Administrators.
- Office of Advocacy Regional Advocates.
- SBA Deputy District Directors.
- SBA Office of International Trade.
- SBA Office of Native American Affairs.

In particular, the Committee will assess whether reorganization and reassignment of employees to more critical functions at the SBA, such as positions as procurement center representatives, will provide a more effective agency at assisting small businesses generate growth.