

# Union Calendar No. 532

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4946

[Report No. 106-881]

To amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2000

Mr. SWEENEY (for himself, Mr. TALENT, Mr. ENGLISH, and Mr. MCINTOSH) introduced the following bill; which was referred to the Committee on Small Business

SEPTEMBER 21, 2000

Additional sponsors: Mrs. KELLY and Mr. TERRY

SEPTEMBER 21, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 25, 2000]

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## A BILL

To amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION. 1. SHORT TITLE.**

4        *This Act may be cited as the “National Small Business*  
5 *Regulatory Assistance Act of 2000”.*

6 **SEC. 2. PURPOSE.**

7        *The purpose of this Act is to establish a pilot program*  
8 *to—*

9            *(1) provide confidential assistance to small busi-*  
10 *ness concerns;*

11            *(2) provide small business concerns with the in-*  
12 *formation necessary to improve their rate of compli-*  
13 *ance with Federal regulations;*

14            *(3) create a partnership among Federal agencies*  
15 *to increase outreach efforts to small business concerns*  
16 *with respect to regulatory compliance;*

17            *(4) provide a mechanism for unbiased feedback*  
18 *to Federal agencies on the regulatory environment for*  
19 *small business concerns; and*

20            *(5) utilize the service delivery network of Small*  
21 *Business Development Centers to improve access of*  
22 *small business concerns to programs to assist them*  
23 *with regulatory compliance.*

1 **SEC. 3. SMALL BUSINESS REGULATORY ASSISTANCE PILOT**  
2 **PROGRAM.**

3 *The Small Business Act (15 U.S.C. 637 et seq.) is*  
4 *amended—*

5 *(1) by redesignating section 34 as section 35;*

6 *and*

7 *(2) by inserting after section 33 the following*  
8 *new section:*

9 **“SEC. 34. SMALL BUSINESS REGULATORY ASSISTANCE**  
10 **PILOT PROGRAM.**

11 *“(a) DEFINITIONS.—In this section, the following defi-*  
12 *initions apply:*

13 *“(1) ASSOCIATION.—The term ‘Association’*  
14 *means the association, established pursuant to section*  
15 *21(a)(3)(A), representing a majority of Small Busi-*  
16 *ness Development Centers.*

17 *“(2) PARTICIPATING SMALL BUSINESS DEVELOP-*  
18 *MENT CENTER.—The term ‘participating Small Busi-*  
19 *ness Development Center’ means a Small Business*  
20 *Development Center selected to participate in the*  
21 *pilot program established under this section.*

22 *“(3) REGULATORY COMPLIANCE ASSISTANCE.—*  
23 *The term ‘regulatory compliance assistance’ means*  
24 *assistance provided by a Small Business Development*  
25 *Center to a small business concern to enable the con-*  
26 *cern to comply with Federal regulatory requirements.*

1           “(4) *SMALL BUSINESS DEVELOPMENT CENTER.*—  
2           *The term ‘Small Business Development Center’ means*  
3           *a Small Business Development Center described in*  
4           *section 21.*

5           “(5) *STATE.*—*The term ‘State’ means each of the*  
6           *several States, the District of Columbia, the Common-*  
7           *wealth of Puerto Rico, the Virgin Islands, and Guam.*

8           “(b) *AUTHORITY.*—*In accordance with this section, the*  
9           *Administrator of the Small Business Administration shall*  
10          *establish a pilot program to provide regulatory compliance*  
11          *assistance to small business concerns through participating*  
12          *Small Business Development Centers, the Association, and*  
13          *Federal compliance partnership programs.*

14          “(c) *SMALL BUSINESS DEVELOPMENT CENTERS.*—

15                 “(1) *IN GENERAL.*—*In carrying out the pilot*  
16                 *program under this section, the Administrator shall*  
17                 *enter into arrangements with participating Small*  
18                 *Business Development Centers under which such cen-*  
19                 *ters will provide—*

20                         “(A) *access to information and resources,*  
21                         *including current Federal and State nonpunitive*  
22                         *compliance and technical assistance programs*  
23                         *similar to those established under section 507 of*  
24                         *the Clean Air Act Amendments of 1990;*

25                         “(B) *training and educational activities;*

1           “(C) *confidential, free-of-charge, one-on-one,*  
2           *in-depth counseling to the owners and operators*  
3           *of small business concerns regarding compliance*  
4           *with Federal regulations, provided that such*  
5           *counseling is not considered to be the practice of*  
6           *law in a State in which a Small Business Devel-*  
7           *opment Center is located or in which such coun-*  
8           *seling is conducted; and*

9           “(D) *technical assistance.*

10          “(2) *QUARTERLY REPORTS.—*

11           “(A) *IN GENERAL.—The Administrator*  
12           *shall require that each participating Small Busi-*  
13           *ness Development Center transmit to the Associa-*  
14           *tion a quarterly report that includes—*

15                   “(i) *a summary of the regulatory com-*  
16                   *pliance assistance provided by the center*  
17                   *under the pilot program; and*

18                   “(ii) *any data and information ob-*  
19                   *tained by the center from a Federal agency*  
20                   *regarding regulatory compliance that the*  
21                   *agency intends to be disseminated to small*  
22                   *business concerns.*

23           “(B) *FORM.—Each report referred to in*  
24           *subparagraph (A) shall be transmitted to the As-*  
25           *sociation in electronic form.*

1           “(C) *INTERIM REPORTS.*—*During any time*  
2           *period falling between the transmittal of quar-*  
3           *terly reports, a participating Small Business*  
4           *Development Center may transmit to the Asso-*  
5           *ciation any interim report containing data or*  
6           *information considered by the center to be nec-*  
7           *essary or useful.*

8           “(D) *LIMITATION ON DISCLOSURE REQUIRE-*  
9           *MENTS.*—*The Administrator may not require a*  
10           *Small Business Development Center to disclose*  
11           *the name or address of any small business con-*  
12           *cern that received or is receiving assistance*  
13           *under the pilot program, except that the Admin-*  
14           *istrator shall require such a disclosure if ordered*  
15           *to do so by a court in any civil or criminal en-*  
16           *forcement action commenced by a Federal or*  
17           *State agency.*

18           “(d) *ASSOCIATION OF SMALL BUSINESS DEVELOP-*  
19           *MENT CENTERS.*—

20           “(1) *IN GENERAL.*—*In carrying out the pilot*  
21           *program under this section, the Administrator, acting*  
22           *through the Office of Small Business Development*  
23           *Centers (or any successor to such office), shall enter*  
24           *into a contract with the Association under which the*  
25           *Association will—*

1           “(A) act as the repository of and clearing-  
2 house for data and information submitted by  
3 Small Business Development Centers; and

4           “(B) transmit an annual report to the  
5 President, the Small Business and Agriculture  
6 Regulatory Enforcement Ombudsman described  
7 in section 30(b), and to the Committees on Small  
8 Business of the Senate and House of Representa-  
9 tives, which report shall include—

10           “(i) a description of the types of assist-  
11 ance provided by participating Small Busi-  
12 ness Development Centers under the pilot  
13 program;

14           “(ii) data regarding the number of  
15 small business concerns that contacted par-  
16 ticipating Small Business Development  
17 Centers regarding assistance under the pilot  
18 program;

19           “(iii) data regarding the number of  
20 small business concerns assisted by partici-  
21 pating Small Business Development Centers  
22 under the pilot program;

23           “(iv) data and information regarding  
24 outreach activities conducted by partici-  
25 pating Small Business Development Centers

1           *under the pilot program, including any ac-*  
2           *tivities conducted in partnership with Fed-*  
3           *eral agencies;*

4           *“(v) data and information regarding*  
5           *each case known to the Association in which*  
6           *1 or more Small Business Development*  
7           *Centers offered conflicting advice or infor-*  
8           *mation regarding compliance with a Fed-*  
9           *eral regulation to 1 or more small business*  
10          *concerns; and*

11          *“(vi) any recommendations for im-*  
12          *provements in the regulation of small busi-*  
13          *ness concerns; and*

14          *“(C) not later than 3 years after the estab-*  
15          *lishment of the pilot program, transmit to the re-*  
16          *cipients referred to in subparagraph (B) a report*  
17          *containing an evaluation of the pilot program*  
18          *and any recommendations as to whether the*  
19          *pilot program, with or without modification,*  
20          *should be extended to include the participation of*  
21          *all Small Business Development Centers.*

22          *“(e) SELECTION OF PARTICIPATING CENTERS.—In*  
23          *consultation with the Association and giving substantial*  
24          *weight to the Association’s recommendations, the Adminis-*  
25          *trator shall select 2 Small Business Development Centers*

1 *from each of the following groups of States to participate*  
2 *in the pilot program under this section, except that the Ad-*  
3 *ministrators may not select 2 Small Business Development*  
4 *Centers from the same state:*

5           “(1) Group 1: *Maine, Massachusetts, New*  
6 *Hampshire, Connecticut, Vermont, and Rhode Island.*

7           “(2) Group 2: *New York, New Jersey, Puerto*  
8 *Rico, and the Virgin Islands.*

9           “(3) Group 3: *Pennsylvania, Maryland, West*  
10 *Virginia, Virginia, the District of Columbia, and*  
11 *Delaware.*

12           “(4) Group 4: *Georgia, Alabama, North Caro-*  
13 *lina, South Carolina, Mississippi, Florida, Kentucky,*  
14 *and Tennessee.*

15           “(5) Group 5: *Illinois, Ohio, Michigan, Indiana,*  
16 *Wisconsin, and Minnesota.*

17           “(6) Group 6: *Texas, New Mexico, Arkansas,*  
18 *Oklahoma, and Louisiana.*

19           “(7) Group 7: *Missouri, Iowa, Nebraska, and*  
20 *Kansas.*

21           “(8) Group 8: *Colorado, Wyoming, North Da-*  
22 *kota, South Dakota, Montana, and Utah.*

23           “(9) Group 9: *California, Guam, Hawaii, Ne-*  
24 *vada, and Arizona.*

1           “(10) Group 10: Washington, Alaska, Idaho, and  
2           Oregon.”.

3 **SEC. 4. PROMULGATION OF REGULATIONS.**

4           *Not later than 180 days after the date of enactment*  
5 *of this Act, the Administrator shall promulgate regulations,*  
6 *after providing an opportunity for notice and comment, to*  
7 *carry out this Act.*



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