

their amendments comply with the Rules of the House.

#### NATIONAL SMALL BUSINESS REGULATORY ASSISTANCE ACT OF 2001

Mr. MANZULLO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 203) 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, as amended.

The Clerk read as follows:

H.R. 203

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "National Small Business Regulatory Assistance Act of 2001".*

#### SEC. 2. PURPOSE.

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

(1) provide confidential assistance to small business concerns;

(2) provide small business concerns with the information necessary to improve their rate of compliance with Federal and State regulations;

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

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

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

#### SEC. 3. DEFINITIONS.

*In this Act, the definitions set forth in section 36(a) of the Small Business Act (as added by section 4 of this Act) shall apply.*

#### SEC. 4. SMALL BUSINESS REGULATORY ASSISTANCE PILOT PROGRAM.

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

(1) by redesignating section 36 as section 37; and

(2) by inserting after section 35 the following new section:

#### "SEC. 36. SMALL BUSINESS REGULATORY ASSISTANCE PILOT PROGRAM.

*"(a) DEFINITIONS.—In this section, the following definitions apply:*

*"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Small Business Administration, acting through the Associate Administrator for Small Business Development Centers.*

*"(2) ASSOCIATION.—The term 'Association' means the association, established pursuant to section 21(a)(3)(A), representing a majority of Small Business Development Centers.*

*"(3) PARTICIPATING SMALL BUSINESS DEVELOPMENT CENTER.—The term 'participating Small Business Development Center' means a Small Business Development Center participating in the pilot program.*

*"(4) PILOT PROGRAM.—The term 'pilot program' means the pilot program established under this section.*

*"(5) REGULATORY COMPLIANCE ASSISTANCE.—The term 'regulatory compliance assistance' means assistance provided by a Small Business Development Center to a small business concern to enable the concern to comply with Federal regulatory requirements.*

*"(6) SMALL BUSINESS DEVELOPMENT CENTER.—The term 'Small Business Development Center' means a Small Business Development Center described in section 21.*

*"(7) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.*

*"(b) AUTHORITY.—In accordance with this section, the Administrator shall establish a pilot program to provide regulatory compliance assistance to small business concerns through participating Small Business Development Centers, the Association, and Federal compliance partnership programs.*

#### "(c) SMALL BUSINESS DEVELOPMENT CENTERS.—

*"(1) IN GENERAL.—In carrying out the pilot program, the Administrator shall enter into arrangements with participating Small Business Development Centers under which such centers will provide—*

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

*"(B) training and educational activities;*

*"(C) confidential, free-of-charge, one-on-one, in-depth counseling to the owners and operators of small business concerns regarding compliance with Federal and State regulations, provided that such counseling is not considered to be the practice of law in a State in which a Small Business Development Center is located or in which such counseling is conducted;*

*"(D) technical assistance; and*

*"(E) referrals to experts and other providers of compliance assistance who meet such standards for educational, technical, and professional competency as are established by the Administrator.*

#### "(2) REPORTS.—

*"(A) IN GENERAL.—Each participating Small Business Development Center shall transmit to the Administrator a quarterly report that includes—*

*"(i) a summary of the regulatory compliance assistance provided by the center under the pilot program; and*

*"(ii) any data and information obtained by the center from a Federal agency regarding regulatory compliance that the agency intends to be disseminated to small business concerns.*

*"(B) ELECTRONIC FORM.—Each report referred to in subparagraph (A) shall be transmitted in electronic form.*

*"(C) INTERIM REPORTS.—During any time period falling between the transmittal of quarterly reports, a participating Small Business Development Center may transmit to the Administrator any interim report containing data or information considered by the center to be necessary or useful.*

*"(D) LIMITATION ON DISCLOSURE REQUIREMENTS.—The Administrator may not require a Small Business Development Center to disclose the name or address of any small business concern that received or is receiving assistance under the pilot program, except that the Administrator shall require such a disclosure if ordered to do so by a court in any civil or criminal enforcement action commenced by a Federal or State agency.*

#### "(d) DATA REPOSITORY AND CLEARINGHOUSE.—

*"(1) IN GENERAL.—In carrying out the pilot program, the Administrator shall—*

*"(A) act as the repository of and clearinghouse for data and information submitted by Small Business Development Centers; and*

*"(B) transmit to the President and to the Committees on Small Business of the Senate and House of Representatives an annual report that includes—*

*"(i) a description of the types of assistance provided by participating Small Business Development Centers under the pilot program;*

*"(ii) data regarding the number of small business concerns that contacted participating Small Business Development Centers regarding assistance under the pilot program;*

*"(iii) data regarding the number of small business concerns assisted by participating Small Business Development Centers under the pilot program;*

*"(iv) data and information regarding outreach activities conducted by participating Small Business Development Centers under the pilot program, including any activities conducted in partnership with Federal agencies;*

*"(v) data and information regarding each case known to the Administrator in which one or more Small Business Development Centers offered conflicting advice or information regarding compliance with a Federal or State regulation to one or more small business concerns;*

*"(vi) any recommendations for improvements in the regulation of small business concerns; and*

*"(vii) a list of regulations identified by the Administrator, after consultation with the Small Business and Agriculture Regulatory Enforcement Ombudsman, as being most burdensome to small business concerns, and recommendations to reduce or eliminate the burdens of such regulations.*

#### "(e) ELIGIBILITY.—

*"(1) IN GENERAL.—A Small Business Development Center shall be eligible to receive assistance under the pilot program only if the center is certified under section 21(k)(2).*

*"(2) WAIVER.—With respect to a Small Business Development Center seeking assistance under the pilot program, the Administrator may waive the certification requirement set forth in paragraph (1) if the Administrator determines that the center is making a good faith effort to obtain such certification.*

*"(3) EFFECTIVE DATE.—This subsection shall take effect on October 1, 2001.*

#### "(f) SELECTION OF PARTICIPATING STATE PROGRAMS.—

*"(1) IN GENERAL.—In consultation with the Association and giving substantial weight to the Association's recommendations, the Administrator shall select the Small Business Development Center programs of 2 States from each of the following groups of States to participate in the pilot program established by this section:*

*"(A) Group 1: Maine, Massachusetts, New Hampshire, Connecticut, Vermont, and Rhode Island.*

*"(B) Group 2: New York, New Jersey, Puerto Rico, and the Virgin Islands.*

*"(C) Group 3: Pennsylvania, Maryland, West Virginia, Virginia, the District of Columbia, and Delaware.*

*"(D) Group 4: Georgia, Alabama, North Carolina, South Carolina, Mississippi, Florida, Kentucky, and Tennessee.*

*"(E) Group 5: Illinois, Ohio, Michigan, Indiana, Wisconsin, and Minnesota.*

*"(F) Group 6: Texas, New Mexico, Arkansas, Oklahoma, and Louisiana.*

*"(G) Group 7: Missouri, Iowa, Nebraska, and Kansas.*

*"(H) Group 8: Colorado, Wyoming, North Dakota, South Dakota, Montana, and Utah.*

*"(I) Group 9: California, Guam, Hawaii, Nevada, and Arizona.*

*"(J) Group 10: Washington, Alaska, Idaho, and Oregon.*

*"(2) DEADLINE FOR SELECTION.—The Administrator shall make selections under this subsection not later than 60 days after promulgation of regulations under section 5 of the National Small Business Regulatory Assistance Act of 2001.*

“(g) **MATCHING NOT REQUIRED.**—Subparagraphs (A) and (B) of section 21(a)(4) shall not apply to assistance made available under the pilot program.

“(h) **DISTRIBUTION OF GRANTS.**—

“(1) **IN GENERAL.**—Each State program selected to receive a grant under subsection (f) in a fiscal year shall be eligible to receive a grant in an amount not to exceed the product obtained by multiplying—

“(A) the amount made available for grants under this section for the fiscal year; and

“(B) the ratio that—

“(i) the population of the State; bears to

“(ii) the population of all the States with programs selected to receive grants under subsection (f) for the fiscal year.

“(2) **MINIMUM AMOUNT.**—Notwithstanding paragraph (1), the minimum amount that a State program selected to receive a grant under subsection (f) shall be eligible to receive under this section in the fiscal year shall be \$200,000.

“(i) **EVALUATION AND REPORT.**—Not later than 3 years after the establishment of the pilot program, the Comptroller General of the United States shall conduct an evaluation of the pilot program and shall transmit to the Administrator and to the Committees on Small Business of the Senate and House of Representatives a report containing the results of the evaluation along with any recommendations as to whether the pilot program, with or without modification, should be extended to include the participation of all Small Business Development Centers.

“(j) **AUTHORIZATION OF APPROPRIATIONS.**—

“(1) **IN GENERAL.**—There are authorized to be appropriated to carry out this section \$5,000,000 for fiscal year 2002 and each fiscal year thereafter.

“(2) **LIMITATION ON USE OF OTHER FUNDS.**—The Administrator may carry out the pilot program only with amounts appropriated in advance specifically to carry out this section.”

#### **SEC. 5. PROMULGATION OF REGULATIONS.**

After providing notice and an opportunity for comment and after consulting with the Association (but not later than 180 days after the date of the enactment of this Act), the Administrator shall promulgate final regulations to carry out this Act, including regulations that establish—

(1) priorities for the types of assistance to be provided under the pilot program;

(2) standards relating to educational, technical, and support services to be provided by participating Small Business Development Centers;

(3) standards relating to any national service delivery and support function to be provided by the Association under the pilot program;

(4) standards relating to any work plan that the Administrator may require a participating Small Business Development Center to develop; and

(5) standards relating to the educational, technical, and professional competency of any expert or other assistance provider to whom a small business concern may be referred for compliance assistance under the pilot program.

#### **SEC. 6. PRIVACY REQUIREMENTS APPLICABLE TO SMALL BUSINESS DEVELOPMENT CENTERS.**

Section 21(c) of the Small Business Act (15 U.S.C. 648(c)) is amended by adding at the end the following:

“(9) **PRIVACY REQUIREMENTS.**—

“(A) **IN GENERAL.**—No Small Business Development Center, consortium of Small Business Development Centers, or contractor or agent of a Small Business Development Center shall disclose the name or address of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, except that—

“(i) the Administrator shall require such disclosure if ordered to do so by a court in any civil or criminal enforcement action commenced by a Federal or State agency; and

“(ii) if the Administrator considers it necessary while undertaking a financial audit of a Small Business Development Center, the Administrator shall require such disclosure for the sole purpose of undertaking such audit.

“(B) **REGULATIONS.**—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under subparagraph (A)(ii).”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. MANZULLO) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, I yield myself such time as I may consume.

This legislation is supported on both sides of the aisle as an example of how Republicans and Democrats can work together in the interests of small businesses and the Nation as a whole. The gentleman from New York (Mr. SWEENEY) is the principal author of the legislation, and I commend him for his hard work in shepherding this bill.

The bill is designed to help small businesses cope with the maze of Federal, State, and local regulations that have created such a heavy monetary and time-consuming burden for Main Street, America. Every day, we all receive complaints from our constituents about their inability to understand regulations that are written in legalese rather than plain English, and about arbitrary actions taken by some regulatory agencies.

This bill establishes a pilot program to provide regulatory compliance assistance to small businesses. We will keep a watchful eye on whether the pilot program is accomplishing the objective of helping small businesses cope with regulations.

The bill requires that the Congress receive a progress report annually on the pilot program's accomplishments. The General Accounting Office is also required to provide a program of evaluation to Congress no later than 3 years after the pilot program is established.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in today's business environment, one of the greatest obstacles blocking the path to prosperity for this Nation's small businesses is regulatory compliance. Small businesses regularly find themselves lost in a maze of Federal regulations that are designed to create safer and healthier workplaces. In fact, a recent poll ranked regulatory burdens as the seventh biggest concern for small businesses, and the Small Business Admin-

istration estimates those burdens cost up to \$5,100 per employee.

Small firms are less equipped to deal with regulations than large corporations. Business owners want to comply with regulations because they know that a safe and healthy workplace and environment makes them more productive. But often, they do not know how to comply or where they should start.

Today, we take a big step in supporting our Nation's small businesses navigate the regulatory process with the passage of the National Small Business Regulatory Assistance Act. This legislation establishes a 3-year pilot program to provide confidential and nonpunitive advice to small businesses that are trying to weather a storm of complex Federal regulations.

Business owners sometimes fear approaching agencies for compliance assistance because these are the very agencies charged with enforcement. They worry, can I talk about OSHA requirements with the Department of Labor? Can I discuss environmental regulations with the EPA?

By creating a compliance program through the SBDC national network, we will provide a neutral, nonthreatening environment which small business owners may use to get important information and advice without fear of retaliation. The SBDCs already have a good reputation for aiding local enterprises. This legislation creates a one-stop shop for regulatory compliance that will help small business owners who want to do the right thing to do the right thing.

In addition, this legislation will establish a database clearinghouse for information gathered by the SBDC based on their interaction with local businesses. This data would be useful in further identifying the compliance needs of small businesses and tailoring assistance to them.

But while SBDCs provide more compliance assistance and gather more information, we must ensure that the sensitive information brought forward by small businesses is kept absolutely confidential. This legislation guarantees privacy for those who receive compliance assistance and extends this protections to all small businesses that seek any assistance from their local SBDC. This legislation bars the sharing of information that any SBDC collects on a business with any third party or agency. This will guarantee that small businesses receive the assistance they need in complete confidence and privacy.

Mr. Speaker, we want all our businesses to comply with the regulations that preserve the health, environment, and well-being of our workers and our communities; but oftentimes, small businesses do not have access to the resources they need if they want to comply with regulations in good faith. With the adoption of this legislation,

we are giving small businesses the support they need to navigate the often-complicated arm of Federal regulations.

In closing, let me thank the gentleman from New York (Mr. SWEENEY), my colleague, for this bill. I strongly urge the adoption of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MANZULLO. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from New York (Mr. SWEENEY), the author of this legislation.

Mr. SWEENEY. Mr. Speaker, first, let me begin by thanking the chairman and the ranking member for the opportunity to speak on behalf of my bill and for their diligence and their effort and their patience in working with me in introducing this bill.

Mr. Speaker, for nearly 25 years, Congress has recognized that small businesses face substantial regulatory burdens. The Small Business Regulatory Enforcement Fairness Act recognized what almost all small businesses would agree on, that Federal regulations are complex and often difficult to understand. The act would require Federal agencies to prepare plain-English compliance guides when issuing new regulations that would have a significant economic impact on a substantial number of small business entities.

The act simply represents a start in providing regulatory assistance to small businesses; and as a former member of the Committee on Small Business, I have a vested interest in maintaining the success of small business and will continue to build upon this foundation with this bill.

Unfortunately, there exists a multitude of regulations that small businesses find difficult to understand, let alone comply with. We know that the vast majority of small business owners are honest, hard-working people who want to do the right thing. Clearly, this bill is an effort to help these small business owners.

Mr. Speaker, it is highly unlikely that my colleagues or their staffs or even the committee staffs read the Federal registry on a daily basis; yet that is what Government asks small business owners to do in order to determine which regulations affect them and what they must do to comply.

Let me give an example. The proposed regulation to prevent ergonomic injuries was just 11 pages long. However, OSHA admitted that 11 pages were not self-explanatory and that determining the best method of complying would have required a small business owner to wade through nearly 1,500 pages of supplemental explanation and economic analysis.

In the spirit of helping these entrepreneurs, I have reintroduced the National Small Business Regulatory Assistance Act, H.R. 203. This legislation

would assist small businesses in successfully finding their way through the maze of regulations that have proliferated in recent decades.

After a great deal of effort and energy during the 106th Congress, we breathed new life into what began as an outstanding initiative but, unfortunately, had little prospects for implementation. This new and improved legislation has a proven record of support. On September 26, 2000, the House passed the previous version of the National Small Business Regulatory Assistance Act by voice vote. The differences between H.R. 203 and the bill that passed under suspension last year are minor and I believe constitute necessary improvements, such as making an authorization of funds to ensure that the pilot project does not detract from the important role played by SBDC.

Mr. Speaker, H.R. 203 would amend the Small Business Act to establish a pilot program in 20 States. The administrator, in consultation with the National Association of Small Business Development Centers, would select two States from each of the 10 Federal regions. Within the pilot program, small business development centers would develop partnerships with Federal agencies and be a point of contact for small businesses to turn to for free-of-charge confidential advice concerning regulatory compliance. I would expect that these consultations will take place with those individuals who have experience and expertise in a particular area of regulatory compliance.

To continually track progress and seek improvements to the program, the Small Business Administration is required to submit regular reports on the assistance provided by the centers to the Small Business Administration. The SBA would, in turn, maintain a clearinghouse of all of the information submitted and report to the President, the House and the Senate small business committees.

In addition, the General Accounting Office would conduct a study of the pilot programs' efficiencies to determine whether the programs should be expanded and/or modified. The reports submitted by the SBDC to the Small Business Administration will include a description of the types of assistance provided, the number of small businesses that contacted participating SBDC, the number of small business concerns assisted by SBDC, information and outreach and, most importantly, any conflicting information or advice given by Federal agencies to one or more businesses.

This type of cooperation is not new, Mr. Speaker. Some small business development centers have already started to think outside the box. They have fostered relationships with different Federal agencies and independent compliance groups to build upon each oth-

er's resources in order to assist small business owners with regulatory compliance.

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H.R. 203 is not meant to replace current regulatory reporting compliance programs, but to supplement them. When relevant, participating SBDCs may refer businesses to existing regulatory compliance programs, H.R. 203 intends to take these successes and apply them nationwide to ensure small business has somewhere to turn for every compliance concern with every Federal agency, not just those emanating from the EPA, OSHA, or the IRS.

An example: A wholesale auto salvage business in upstate New York is one such success story. The owner purchased his business unaware the soil was contaminated, having been a salvage yard for the previous 60 years. Unfortunately, he exhausted his funds with the cleanup and pending buyout of his partner.

With no place to turn and the possibility of losing his livelihood, he contacted the local SBDC for assistance in obtaining funds. The SBDC counselor was able to work with the New York State Department of Environmental Conservation liaison to agree to some type of remediation.

The result: After 40 hours of invested time and effort, the counselor was able to get the city to back away from its original threat to close his business. This business's inventory is now growing after a nearly terminal reduction to facilitate the cleanup, and cash flow figures are improving steadily.

We all know that compliance with Federal regulations remains one of the main challenges confronting small business owners. These entrepreneurs are not seeking to evade the law. Due to the complexity of the regulatory process, they often simply do not know the right course of action.

Mr. Speaker, before being elected to Congress, I served as the Commissioner of Labor in New York. I know firsthand the difficulty that exists in trying to balance the needs of running a small business and maintaining a safe working environment.

While I was State Labor Commissioner, I instituted an exhaustive review process that evaluated nearly 150 rules and regulations, resulting in the elimination of 56 regulations. That represented a 30 percent reduction of outdated, unnecessary, and redundant restrictions on New York's businesses.

In addition, I implemented a directive for the Public Employee Safety and Health Program, PESHP, to increase the rate of workplace compliance. This proposal had three objectives: to educate employers and employees, to increase regulatory compliance rates, and to reduce what I considered a hidden tax on small businesses.

As a result of that approach that I have just described, in 1995, failure to abate notices, which inform an employer that it has not corrected a violation in a timely manner, numbered only 99 in the entire State of New York, down from 244 the previous year.

With government working cooperatively with employers and businesses in a non-threatening environment, compliance rates are proven to dramatically increase while workplace injuries and deaths are significantly reduced. This type of partnership is what is needed to assist our small businesses with navigating the maze of Federal Government regulations.

My legislation, H.R. 203, will forge a partnership among the regulatory agencies, the Small Business Administration, and the Small Business Development Centers for the purpose of helping small-sized companies comply with complex regulations, rather than resorting to heavy-handed enforcement activities.

Again, Mr. Speaker, I want to thank the gentleman from Illinois (Mr. MANZULLO) for all his efforts and all his support, and the ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), a fellow New Yorker.

Mr. Speaker, this is a good government bill, and I urge the support of all my colleagues.

Ms. VELÁZQUEZ. Mr. Speaker, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Ms. CHRISTENSEN).

Mr. CHRISTENSEN. Mr. Speaker, I rise today in support of the two Committee on Small Business bills before us today, which are aimed at improving and expanding the extend and scope of services provided by the Small Business Administration's Small Business Development Centers' program, and encouraging entrepreneurship.

The SBDCs are the premier technical assistance providers to America's entrepreneurs. Many small businesses often operate near or at their profit margin and do not have the resources to hire legal and technical experts.

The SBDC in my district, the U.S. Virgin Islands, as well as those across the Nation, are always looking for innovative and cost-efficient ways to improve their services to the small business community.

To address the difficulty in meeting the regulatory burden, the House Committee on Small Business, under the leadership of our ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), and our chairman, the gentleman from Illinois (Mr. MANZULLO), has held many hearings to examine the complex and wide web of regulations that small businesses are subjected to, including those in the health care industry, through the Center for Medicare Services, formerly known as the Health Care Financing Agency.

The National Small Business Regulatory Assistance Act of 2000 would assist small businesses in handling their regulatory burden without the threat of sanctions for doing so. Without a doubt, small businesses need and would benefit from as much free technical assistance as Congress can make available. As a matter of fact, it is only appropriate that we provide some relief from the regulatory morass that Congress is partly responsible for.

Research shows that small businesses that receive technical assistance are twice as likely to succeed in the marketplace as those which do not. H.R. 203 would utilize the existing SBDC network to provide free counseling, training, and education about the intricacies of Federal regulations.

The second bill that will be before us, establishing a national vocational entrepreneurship development demonstration program is a great approach to encouraging individuals to start their small businesses. The Vocational and Technical Entrepreneurship Act would allow the SBDCs to work with colleges and vocational schools. Learning to start and run your own business is itself a very important trade, and many who work in the trade sector enter these professions with the goal of one day starting their own business.

This initiative would develop a program that guides and provides training for future skilled workers, many of whom would begin working in other companies to obtain the skills necessary to start a business of their own.

Mr. Speaker, today, in the face of the tragedy which struck this country 3 weeks ago and its long-term and far-reaching impact, help for our small businesses is needed more than ever. I applaud and thank the gentleman from New York (Mr. SWEENEY) and the gentleman from Pennsylvania (Mr. BRADY) for H.R. 203, and Mr. Udall for H.R. 2666, as well as thank and applaud the leadership of the chairman, the gentleman from Illinois (Mr. MANZULLO) and the ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), for their leadership on these two bills. I also thank the entire committee.

This would send a clear message that we intend to improve and expand the scope of SBDCs in providing needed comprehensive free and confidential services, and that we will continue to improve this, and to make help more available to our small businesses across the country.

I urge my colleagues to join me in supporting this bill, H.R. 203, and the next bill, H.R. 266.

Mr. MANZULLO. Mr. Speaker, it is my privilege to yield 3 minutes to the gentleman from Indiana (Mr. PENCE), chairman of the Subcommittee on Regulatory Reform and Oversight of the Committee on Small Business.

Mr. PENCE. Mr. Speaker, I thank the gentleman and the chairman of the

Committee on Small Business for yielding time to me, and for sponsoring this important bill, which I believe will help small businesses all across America.

I am also grateful to all of my colleagues for the support for the amendment which I offered to this legislation in committee. I believe this bill represents a very important change in the way our government assists small business owners, entrepreneurs, and risk-takers in our economy.

As chairman of the Subcommittee on Regulatory Reform and Oversight of the Committee on Small Business, I held a roundtable earlier this year to hear from dozens of national trade and industry groups that represent small business in America.

These groups raised concerns about a wide variety of regulations. Yet, they all had one overarching concern, Mr. Speaker, that small business owners are being deluged by complex, often arcane Federal regulations that they are unaware of until a representative of the Federal agency walks through the door and hands them a citation.

This situation engenders distrust from the Federal regulatory apparatus because businesses perceive that the Federal government is not there to help, but instead, to play the game of "gotcha." That "gotcha" mentality is not good government. Small business owners want to comply with Federal regulations.

The agencies have even conceded that more than 90 percent of all businesses are doing their level best to comply. However, in order to do so, they must first know that the regulations apply to them. This is a necessary precondition. However, given the complexity and scope of the CFR, it is unlikely that an average small business owner will be an expert on these myriad regulations, or even begin to understand what must be done in compliance.

When we pass laws here, we expect them to be followed. When Federal agencies promulgate regulations, they expect them to be followed. However, if the Federal Government does not provide a mechanism for advising small businesses, then Federal regulations will not be followed and the goal we seek will not be met.

H.R. 203, Mr. Speaker, provides that mechanism to assist small business owners. Small Business Development Centers already exist to provide assistance to small business owners in the operation of their businesses. Small business owners come to SBDCs to help start or grow a business. At that time, the center could also provide information on regulatory compliance. Since these centers are located at colleges and universities throughout States that will be part of the pilot project, small business owners should have easy access to regulatory compliance and assistance from these centers.

Despite what some stereotypes may suggest, Mr. Speaker, small businesses want to obey the law. They want to comply with Federal regulations. H.R. 203, finally and lastly, gives them the means to do just that. That is why I heartily endorse this bill, and I urge all of my colleagues to support this reform measure.

Mr. Speaker, I thank the gentleman from Illinois (Chairman MANZULLO) for his outstanding leadership, as well as the ranking member, the gentlewoman from New York (Ms. VELÁZQUEZ), for her outstanding leadership, and for the bipartisan efforts on the part of both of these great members in moving this legislation out of the Committee on Small Business.

Finally, I would like to thank the author of this legislation, the gentleman from New York (Mr. SWEENEY) and the gentleman from Pennsylvania (Mr. BRADY) for their work in bringing this important idea into the laws of our land.

Ms. VELÁZQUEZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MANZULLO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentleman from Illinois (Mr. MANZULLO) that the House suspend the rules and pass the bill, H.R. 203, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### VOCATIONAL AND TECHNICAL ENTREPRENEURSHIP DEVELOPMENT ACT OF 2001

Mr. MANZULLO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2666) to amend the Small Business Act to direct the administrator of the Small Business Administration to establish a vocational annual technical entrepreneurship development program, as amended.

The Clerk read as follows:

H.R. 2666

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Vocational and Technical Entrepreneurship Development Act of 2001".

#### SEC. 2. VOCATIONAL AND TECHNICAL ENTREPRENEURSHIP DEVELOPMENT PROGRAM.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 36 as section 37; and

(2) by inserting after section 35 the following new section:

#### “SEC. 36. VOCATIONAL AND TECHNICAL ENTREPRENEURSHIP DEVELOPMENT PROGRAM.

“(a) DEFINITIONS.—In this section, the following definitions apply:

“(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Small Business Administration.

“(2) ASSOCIATION.—The term ‘Association’ means the association of small business development centers recognized under section 21(a)(3)(A).

“(3) PROGRAM.—The term ‘program’ means the program established under subsection (b).

“(4) SMALL BUSINESS DEVELOPMENT CENTER.—The term ‘small business development center’ means a small business development center described in section 21.

“(5) STATE SMALL BUSINESS DEVELOPMENT CENTER.—The term ‘State small business development center’ means a small business development center from each State selected by the Administrator, in consultation with the Association and giving substantial weight to the Association’s recommendations, to carry out the program on a statewide basis in such State.

“(b) ESTABLISHMENT.—In accordance with this section, the Administrator shall establish a program under which the Administrator shall make grants to State small business development centers to enable such centers to provide, on a statewide basis, technical assistance to secondary schools, or to postsecondary vocational or technical schools, for the development and implementation of curricula designed to promote vocational and technical entrepreneurship.

“(c) MINIMUM GRANT.—The Administrator may make no grant under the program for an amount less than \$200,000.

“(d) APPLICATION.—Each State small business development center seeking a grant under the program shall submit to the Administrator an application in such form as the Administrator may require. The application shall include information regarding the applicant’s goals and objectives for the educational programs to be assisted.

“(e) REPORT TO ADMINISTRATOR.—The Administrator shall make a condition of each grant under the program that not later than 18 months after the receipt of the grant the recipient shall transmit to the Administrator a report describing how the grant funds were used.

“(f) COOPERATIVE AGREEMENTS AND CONTRACTS.—The Administrator may enter into a cooperative agreement or contract with any State small business development center receiving a grant under this section to provide additional assistance that furthers the purposes of this section.

“(g) EVALUATION OF PROGRAM.—Not later than March 31, 2004, the Administrator shall transmit to Congress a report containing an evaluation of the program.

“(h) CLEARINGHOUSE.—The Association shall act as a clearinghouse of information and expertise regarding vocational and technical entrepreneurship education programs. In each fiscal year in which grants are made under the program, the Administrator shall provide additional assistance to the Association to carry out the functions described in this subsection.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$7,000,000 for each of fiscal years 2002, 2003, and 2004. Such sums shall remain available until expended.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Il-

linois (Mr. MANZULLO) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. MANZULLO).

GENERAL LEAVE

Mr. MANZULLO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MANZULLO. Mr. Speaker, I yield such time as myself may consume.

Mr. Speaker, the purpose of H.R. 2666 is to provide entrepreneurial assistance to persons with vocational and technical skills to help them own and operate their own businesses, rather than being employees of companies in which they have no direct ownership interest.

A further and equally important purpose of the Act is to stimulate economic activity to create new job opportunities, and to help tradesmen and tradeswomen realize the full potential of the free enterprise system.

Many persons within the United States have technical or vocational skills, but do not have business experience or training to help them succeed in the small business community. Currently, small businesses employ mechanics, technicians, carpenters, plumbers, machinists, and draftsmen. However, the Act is needed to provide the essential training in business constantly necessary for these skilled workers to start their own businesses, to survive in the business world, and to grow.

In providing these needed services, the Act relies upon the present infrastructure of the Small Business Development Centers, which are proven by past performance to deliver services that greatly enhance the chances of a small business surviving as compared with those who do not receive such assistance.

The present global economy requires that this Nation remain as a competitor. Fostering the growth of small business, as it is anticipated this Act will do, is another building block in strengthening our international competitiveness.

The Act establishes a 3-year pilot program providing Small Business Administration grants to Small Business Development Centers for technical assistance to secondary schools and postsecondary vocational and technical schools. It also aims to develop and implement curricula to promote vocational and technical entrepreneurship.

The grant applicant must outline its goals and objectives for assistance to be provided in the educational curricula to be implemented with grant funds.