

Union Calendar No. 515

113TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
113-684

REPORT ON THE ACTIVITIES
OF THE
COMMITTEE ON SMALL BUSINESS
113TH CONGRESS



DECEMBER 22, 2014.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, December 22, 2014.

Hon. KAREN L. HAAS,
Clerk, House of Representatives,
Washington, DC.

DEAR MS. HAAS: Pursuant to clause 1(d)(3) of Rule XI of the Rules of the House of Representatives, I present herewith the report of the activities of the Committee for the 113th Congress, including the Committee's review of legislation within its jurisdiction and the oversight activities taken in accordance with the oversight plan adopted on January 23, 2013.

Sincerely,

SAM GRAVES,
Chairman.

Enclosure.

CONTENTS

	Page
Committee Jurisdiction	1
Rules of the Committee	2
Membership and Organization	15
Legislative Activities	19
Oversight Summary	25
Part A—Full Committee Hearings	25
Part B—Subcommittee Hearings	49
Part C—Waste, Fraud, Abuse, and Mismanagement	85
Part D—Oversight Plan and Implementation	89
Subpart A—Committee Oversight Plan	89
Subpart B—Implementation of Oversight Plan	95
Regulatory Review	103

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Mr. GRAVES of Missouri, from the Committee on Small Business,
submitted the following

R E P O R T

Clause 1(d)(3) of rule XI of the Rules of the House of Representatives for the 113th Congress requires that each standing committee, no earlier than December 15 or adjournment of the Congress sine die (whichever occurs first), submit to the House a report on the activities of that Committee, including separate sections summarizing the legislative and oversight activities of that Committee.

JURISDICTION AND SPECIAL OVERSIGHT FUNCTION

Clause 1(q) of rule X of the Rules of the House of Representatives of the 113th Congress sets forth the jurisdiction of the Committee on Small Business as follows—

(1) Assistance to and protection of small business, including financial aid, regulatory flexibility, and paperwork reduction.

(2) Participation of small-business enterprises in Federal procurement and Government contracts.

Clause 3(l) of rule X of the Rules of the House of Representatives for the 113th Congress sets forth the Special Oversight Function of the Committee on Small Business as follows—

The Committee on Small Business shall study and investigate on a continuing basis the problems of all types of small business.

RULES OF THE COMMITTEE ON SMALL BUSINESS FOR THE 113th CONGRESS

1. GENERAL PROVISIONS

The Rules of the House of Representatives, in total (but especially with respect to the operations of committees Rule X, cl. 1(q), cl. 2, cl. 3(1), 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 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 for 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 50 copies of the testimony by the commencement of the hearing. The Chair may waive the requirement by the witness providing 50 copies in which case the Committee or Subcommittee shall provide the 50 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. Such information shall be posted on the Committee within 24 hours after the witness appeared at the hearing.

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 hear-

ing 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 and may adjourn the markup to provide sufficient time for the provision of such written amendment. Such period or adjournment 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 six (6) Republican Members and four (4) 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 Health and Technology

This Subcommittee (which will consist of six (6) Republican Members and four (4) 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 health care 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 six (6) Republican Members and four (4) 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 six (6) Republican Members and four (4) 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 six (6) Republican Members and four (4) 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 decide.

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, including 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 113th 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.

**MEMBERSHIP AND ORGANIZATION
OF THE
COMMITTEE ON SMALL BUSINESS
ONE HUNDRED AND THIRTEENTH CONGRESS**

FULL COMMITTEE

REP. SAM GRAVES (MO-6), <i>Chairman</i>	REP. NYDIA M. VELÁZQUEZ (NY-7), <i>Ranking Member</i>
REP. STEVE CHABOT (OH-1)	REP. KURT SCHRADER (OR-5)
REP. STEVE KING (IA-4)	REP. YVETTE D. CLARKE (NY-9)
REP. MIKE COFFMAN (CO-6)	REP. JUDY CHU (CA-27)
REP. BLAINE LUETKEMEYER (MO-3)	REP. JANICE HAHN (CA-44)
REP. MICK MULVANEY (SC-5)	REP. DONALD M. PAYNE, JR. (NJ-10)
REP. SCOTT R. TIPTON (CO-3)	REP. GRACE MENG (NY-6)
REP. JAIME HERRERA BUETLER (WA-3)	REP. BRADLEY S. SCHNEIDER (IL-10)
REP. RICHARD L. HANNA (NY-22)	REP. RON BARBER (AZ-2)
REP. TIM HUELSKAMP (KS-1)	REP. ANN M. KUSTER (NH-2)
REP. DAVID SCHWEIKERT (AZ-6)	REP. PATRICK MURPHY (FL-18)
REP. KERRY L. BENTIVOLIO (MI-11)	
REP. CHRIS COLLINS (NY-27)	
REP. TOM RICE (SC-7)	

SUBCOMMITTEE ON AGRICULTURE, ENERGY AND TRADE

REP. SCOTT R. TIPTON (CO-3), <i>Chairman</i>	REP. PATRICK MURPHY (FL-18), <i>Ranking Member</i>
REP. STEVE KING (IA-4)	REP. KURT SCHRADER (OR-5)
REP. BLAINE LUETKEMEYER (MO-3)	REP. GRACE MENG (NY-6)
REP. MICK MULVANEY (SC-5)	REP. RON BARBER (AZ-2)
REP. RICHARD L. HANNA (NY-22)	
REP. TIM HUELSKAMP (KS-1)	

SUBCOMMITTEE ON HEALTH AND TECHNOLOGY

REP. CHRIS COLLINS (NY-27), <i>Chairman</i>	REP. JANICE HAHN (CA-44), <i>Ranking Member</i>
REP. STEVE KING (IA-4)	REP. KURT SCHRADER (OR-5)
REP. MIKE COFFMAN (CO-6)	REP. BRADLEY S. SCHNEIDER (IL-10)
REP. BLAINE LUETKEMEYER (MO-3)	VACANT
REP. JAIME HERRERA BUETLER (WA-3)	
REP. TIME HUELSKAMP (KS-1)	

SUBCOMMITTEE ON ECONOMIC GROWTH, TAX AND CAPITAL ACCESS

REP. TOM RICE (SC-7), <i>Chairman</i>	REP. JUDY CHU (CA-27), <i>Ranking Member</i>
REP. STEVE CHABOT (OH-1)	REP. DONALD M. PAYNE, JR. (NJ-10)
REP. MIKE COFFMAN (CO-6)	REP. BRADLEY S. SCHNEIDER (IL-10)
REP. MICK MULVANEY (SC-5)	REP. RON BARBER (AZ-2)
REP. DAVID SCHWEIKERT (AZ-6)	

SUBCOMMITTEE ON INVESTIGATIONS, OVERSIGHT AND REGULATIONS

REP. DAVID SCHWEIKERT (AZ-6), <i>Chairman</i>	REP. YVETTE D. CLARKE (NY-9), <i>Ranking Member</i>
REP. STEVE CHABOT (OH-1)	REP. JUDY CHU (CA-27)
REP. JAMIE HERRERA BUETLER (WA-3)	REP. ANN M. KUSTER (NH-2)
REP. KERRY L. BENTIVOLIO (MI-11)	VACANT
REP. CHRIS COLLINS (NY-27)	
REP. TOM RICE (SC-7)	

¹Mr. Schweikert resigned his position as Chairman to take a position as Chair of a subcommittee on the Committee on Science, Space and Technology during the second session of the 113th Congress. As a result, the Chair of the Subcommittee on Investigation, Oversight and Regulation was vacant for the second session of the 113th Congress.

SUBCOMMITTEE ON CONTRACTING AND WORKFORCE

REP. RICHARD L. HANNA (NY-22), <i>Chairman</i>	REP. GRACE MENG (NY-6), <i>Ranking Member</i>
REP. STEVE KING (IA-4)	REP. YVETTE D. CLARKE (NY-9)
REP. MICK MULVANEY (SC-5)	REP. JUDY CHU (CA-27)
REP. SCOTT R. TIPTON (CO-3)	VACANT
REP. TIM HUELSKAMP (KS-1)	
REP. KERRY L. BENTIVOLIO (MI-11)	

LEGISLATIVE ACTIVITIES

Clause 1(d) of rule XI of the Rules of the House of Representatives for the 113th Congress requires that each standing committee not later than January 2 of each year, submit to the House a report on the activities of that committee, including a separate section summarizing the legislative activities of that committee.

THE SECURITY IN BONDING ACT OF 2013

(H.R. 776)

Summary

The Small Business Investment Act of 1958 was amended in 1971 to permit the Small Business Administration (SBA) to guarantee surety bonds offered to small businesses bidding on federal government contracts by private surety bond providers. Those guarantee percentages were either 70 percent or 90 percent depending on the type of private surety bond provider. H.R. 776 amends the surety bond program by authorizing that all private providers of surety bonds can obtain a 90 percent guarantee in an effort to increase participation in the program by more private surety bond providers.

Legislative History

The Subcommittee on Contracting and Workforce held a hearing on May 23, 2013 titled “Building America: Challenges for Small Construction Contractors” at which the SBA’s surety bond guarantee program was examined. This hearing supplemented activities of the Committee during the 112th Congress that assessed the surety bond program.

On March 5, 2014, the Committee on Small Business met in open session and ordered H.R. 776, as amended, be reported favorably to the House by voice vote. No subsequent action was taken on this legislation in the House.

THE WOMEN’S PROCUREMENT PROGRAM EQUALIZATION ACT OF 2013

(H.R. 2452)

Summary

H.R. 2452 amends the Small Business Act by making changes to the Women-Owned Small Business federal contracting program first established by Congress in 2000. The legislation permits, but does not require, federal contracting officers to use sole source contracts for economically disadvantaged women-owned businesses or for women-owned businesses that have been historically underrepresented in federal procurement. This would give contracting offi-

cers the same option that they have with respect to other targeted contracting programs in the Small Business Act.

Legislative History

Given the technical change made in the legislation and the need for consistency among targeted contracting programs in the Small Business Act, the Committee determined that it was not necessary to hold a hearing on the legislation. The Committee on Small Business met on March 5, 2014 in open session and ordered H. R. 2452 be reported favorably to the House by voice vote. H.R. 2452, with changes agreed to by the House and Senate, was incorporated into § 825 of Title VIII of the “Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act for Fiscal Year 2015.”²

THE REGULATORY FLEXIBILITY IMPROVEMENTS ACT OF 2013

(H.R. 2542)

Summary

H.R. 2542 amends the Regulatory Flexibility Act (RFA) of 1980, as amended by the Small Business Regulatory Enforcement Fairness Act. The RFA requires federal agencies to consider the economic impact of the rules they propose on small entities. H.R. 2542 would strengthen the RFA by: expanding its requirements to agencies not currently covered; requiring more detailed analyses of regulatory impact; providing new authorities to the Chief Counsel for Advocacy; enhancing the participation of small businesses in the rulemaking process; strengthening the requirement for periodic review of regulations; and improving the ability of small businesses to challenge compliance with the RFA.

Legislative History

Given that H.R. 2542 was nearly identical to H.R. 527 that passed the House of Representatives in the 112th Congress, the Committee on Small Business did not hold any hearings on the bill. However, as identified elsewhere in this report, the Committee on Small Business and its subcommittees considered compliance with the RFA in a number of hearings.

The Committee on Small Business met in open session on September 18, 2013 and ordered H.R. 2542, as amended, be reported favorably to the House by a voice vote. H.R. 2542 was included as Title III of the ALERRT Act of 2014, H.R. 2804, which passed the House (Roll Call Vote 78) 236 ayes to 179 noes on February 27, 2014. H.R. 2542 also was included as Title III of Subdivision B of Division III of the Jobs for America Act, H.R. 4, which passed the House (Roll Call Vote 513) 253 ayes to 163 noes on September 18, 2014.

²The House amended S. 1847, a bill to redesignate the Asia-Pacific Center Security Studies as the Daniel K. Inouye Asia-Pacific Center for Security Studies and substituted the text of the “Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act of Fiscal Year 2015.” For ease of reference, this report will refer to the legislation as the 2015 NDAA.

THE COMMONSENSE CONSTRUCTION CONTRACTING ACT OF 2013

(H.R. 2751)

Summary

A reverse auction finds the winner through serial bids until no bidder offers a lower price. The federal government has increased the use of reverse auctions in an effort to find the lowest price offeror of goods and services. This may not result in the best value when it comes to contracts for the design and construction of federal buildings and other infrastructure. H.R. 2751 prohibits the use of reverse auctions for design and construction when the agency is using specific targeted contracting programs set out in the Small Business Act, including contracts of less than \$150,000.

Legislative History

The Subcommittee on Contracting and Workforce held a hearing on May 23, 2013 titled “Building America: Challenges for Small Construction Contractors” at which witnesses described the problems that small construction and engineering firms face when bidding in reverse auctions. On December 11, 2013, the Subcommittee on Contracting and Workforce in conjunction with the Subcommittee on Oversight and Investigations of the Committee on Veterans’ Affairs held a hearing “Contracting Away Accountability—Reverse Auctions in Federal Agency Acquisitions” in which the ability of small businesses to compete in reverse auctions was examined.

The Committee on Small Business met in open session on March 5, 2014 and ordered H.R. 2751 be reported favorably to the House by voice vote. H.R. 2751, with changes agreed to by the House and Senate, was incorporated into § 824 of Title VIII of the 2015 NDAA.

THE IMPROVING OPPORTUNITIES FOR SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS ACT OF 2013

(H.R. 2882)

Summary

H.R. 2882 is designed to harmonize the operation of a government-wide contracting program to help service-disabled veteran-owned small businesses with a specific program that only applies to service-disabled veteran owned small businesses offering goods and services to the Department of Veterans Affairs (colloquially called “Vets First”). The bill would do this by transferring the determination of whether a business is small for purposes of the Vets First program from the Department of Veterans Affairs to the SBA. This will ensure that a consistent definition of small business is used throughout the government when contracting with service-disabled veteran-owned small businesses.

Legislative History

The inconsistency between the Vets First program and the program overseen by the SBA was examined in a joint hearing by the Subcommittee on Contracting and Workforce and the Subcommittee on Oversight and Investigations of the Committee on

Veterans' Affairs on March 19, 2013. The Committee on Small Business met in open session on March 5, 2014 and ordered H.R. 2882, as amended, be reported favorably to the House by voice vote. No subsequent action was taken on this legislation in the House.

THE GREATER OPPORTUNITIES FOR SMALL BUSINESS ACT OF 2014

(H.R. 4093)

Summary

The Small Business Act requires that the Administrator of the SBA negotiate with all federal agencies goals for prime contracts and subcontracts in order to ensure that a fair proportion of federal procurement dollars is awarded to small businesses. The Small Business Act provides a prime contracting goal of 23 percent of the total value of prime contracts but does not provide a specific goal for subcontracting. H.R. 4093 would amend the Small Business Act to increase the goal for prime contracts from 23 percent to 25 percent and would establish a statutory goal for subcontracts of 40 percent of the total value of subcontracts be awarded to small businesses. Finally, the bill eliminates the ability of the Department of Energy to count awards to subcontractors in calculating its prime contracting goals.

Legislative History

The Committee has a long history of examining the inability of federal agencies to meet the prime contracting goals set out in the Small Business Act. Given this and the fact that H.R. 4093 is nearly identical to H.R. 3850 that the Committee considered in the 112th Congress, the Committee determined that those findings are still valid and saw no reason to hold any additional hearings on the legislation.

The Committee on Small Business met in open session on March 5, 2014 and ordered H.R. 4093 be reported favorably to the House by voice vote. No subsequent action was taken on this legislation in the House.

THE CONTRACTING DATA AND BUNDLING ACCOUNTABILITY ACT OF 2014

(H.R. 4094)

Summary

In 1997, Congress amended the Small Business Act to impose requirements on agencies before they consolidate contract requirements into a larger contract for which small businesses would not be able to compete due to the size of the consolidated requirements. This consolidation process is called bundling and subsequent to the initial foray in 1997, Congress has made additional efforts to restrict this practice. H.R. 4094, rather than imposing additional restrictions on bundling, improves the quality of data available to federal officials so that they understand which contracts are being bundled and the scope of such bundling. It does this by requiring the Administrator of the SBA to work with federal agencies to implement a plan to improve data collection and then mandates that the agencies have one year to implement the plan. As a check on

the quality of these plans and their implementation, H.R. 4094 requires the Government Accountability Office to study the plans and report back to Congress with recommendations on improvements to those plans.

Legislative History

On June 13, 2013, the Subcommittee on Contracting and Workforce held a hearing “Putting the Strategy in Sourcing: Challenges and Opportunities for Small Business Contractors” at which small businesses testified on strategic sourcing and the impact on small business of bundling that takes place to execute the government’s strategic sourcing initiative. The concerns in that hearing were echoed in an October 10, 2013 hearing of the Subcommittee on Contracting and Workforce titled “Bungling Bundling: How Contract Bundling and Consolidation Remain Challenges to Small Business Success.”

The Committee on Small Business met in open session on March 5, 2014 and ordered H.R. 4094, as amended, be reported favorably to the House by voice vote. H.R. 4094, with changes agreed to by the House and Senate, was incorporated into § 822 of Title VIII of the 2015 NDAA.

OVERSIGHT SUMMARY

Clause 1(d) of rule XI of the Rules of the House of Representatives for the 113th Congress requires that each standing Committee, not later than January 2, submit to the House a report on the activities of that committee, including a separate section summarizing the oversight activities of that committee. The report shall also include a delineation of any hearings held pursuant to clauses 2(n), (o), or (p) of rule XI, related to waste, fraud, and abuse in government programs.

Part A of this section describes the hearings held in full committee. Part B of this section describes the hearings held in the subcommittees. Part C of this section addresses the hearings that relate to clauses 2(n), (o), or (p) of Rule XI. Part D of this section reproduces the Committee's oversight plan and the actions taken related to that plan, including the actions required by clause 1(d)(2)(C)–(D) of Rule XI.

PART A

FULL COMMITTEE HEARINGS

HEARING: "STATE OF THE SMALL BUSINESS ECONOMY"

On February 13, 2013, the Committee on Small Business held a hearing in Room 2360 of the Rayburn House Office Building on the state of the small business economy. The hearing reviewed current economic indicators that measure the health of the economy, with a specific focus on access to capital. The hearing also examined the general economic concerns facing small business owners during 2013.

The witnesses were: Randall Kroszner, Ph.D., Professor of Economics, University of Chicago, Chicago, IL; Ms. Maria Coyne, Executive Vice President, Consumer and Small Business Banking, KeyBank, Cleveland, OH, testifying on behalf of the Financial Services Roundtable and the Consumer Bankers Ass'n; Mr. Sean Falk, Owner and President, WolFTeaM LLC, Cedar Park, TX, testifying on behalf of the International Franchise Association; and Ms. Margot Dorfman, CEO, U.S. Women's Chamber of Commerce, Washington, DC.

Dr. Kroszner testified that the economy is currently on a sideways slide and does not believe that the economy will make great strides in 2013. Ms. Coyne testified that many small business owners are reluctant to take-on additional debt in the form of bank loans and the Small Business Administration can improve their loan products by streamlining processes and reducing paperwork. Mr. Falk testified about the current business environment, including concerns about taxes, healthcare and regulations. Specifically, Mr. Falk testified that the healthcare law will lead to reductions

in hours for his employees and have a detrimental effect on hiring. Ms. Dorfman testified that women-owned small business continue to struggle to access capital and there need to be improvements in government contracting for small business.

HEARING: "ENTREPRENEURIAL ASSISTANCE: EXAMINING
INEFFICIENCIES AND DUPLICATION ACROSS FEDERAL PROGRAMS"

On March 20, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of providing oversight on fragmentation, overlap, and duplication in entrepreneurial assistance programs across the federal government, specifically between the United States Small Business Administration (SBA) and the United States Department of Agriculture (USDA). The hearing examined the United States Government Accountability Office's (GAO) reports identifying opportunities for improvements across 52 entrepreneurial assistance programs and discussed steps taken by USDA and SBA to implement GAO's recommendations. Further, based on GAO's reports the hearing examined which entrepreneurial assistance programs may be ineffective or redundant.

The witnesses were: Mr. William B. Shear, Director, Financial Markets and Community Investment, GAO, Washington, DC; Michael A. Chodos, Esq., Associate Administrator for Entrepreneurial Development, SBA, Washington DC; and Mr. Doug O'Brien, Deputy Under Secretary for Rural Development, USDA, Washington, DC.

The witnesses provided testimony on GAO's reports which identified 52 entrepreneurial assistance programs across the government and revealed significant overlaps and fragmented delivery of assistance. Mr. Shear testified that inefficiencies among these programs "could compromise the government's ability to effectively provide the needed services and meet the shared goals of the programs." He further opined that better data collection and further collaboration among the agencies was necessary. Mr. Chodos stated the SBA is enhancing its outreach and collaborative efforts with other agencies but recognizes that "there are always further opportunities to use taxpayer dollars wisely." Mr. O'Brien testified that in response to GAO's report, USDA was developing a strategic plan "to improve the quality of performance measurement within the next two years," and was researching options with SBA to enhance collaboration in rural communities.

HEARING: "SMALL BUSINESS TAX REFORM: GROWTH THROUGH
SIMPLICITY"

On April 10, 2013, the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on tax reform and how it could affect small businesses. The hearing, titled "Small Business Tax Reform: Growth Through Simplicity," focused on various legislative proposals released by the Committee on Ways and Means on March 10, 2013 aimed at simplifying the tax code and lowering tax rates.

The witnesses for the hearing were: The Honorable Dave Camp (R-MI), Chairman, Committee on Ways and Means, United States House of Representatives, Washington, DC; Mr. Sam Griffith, President and CEO, National Jet Company, LaVale, MD, testifying

on behalf of the National Tooling and Machining Association; Mr. Steve Bearden, President and CEO of Linemark Printing, Upper Marlboro, MD, testifying on behalf of Printing Industries of America; Mr. Tim Watters, President and CEO of Hoffman Equipment, Piscataway, NJ, testifying on behalf of the Associated Equipment Dealers (AED); and Mr. Roger Harris, President and COO of Padgett Business Services, Athens, GA.

Chairman Camp began the hearing by stating that the tax code ought to be easier to understand and less expensive for small businesses to comply with because every dollar they are not spending on taxes and tax compliance is a dollar they have to invest in equipment, start a new production line, hire a new employee or provide more in wages and benefits. He also stated that his goal for comprehensive tax reform is a simpler, fairer tax code that leads to more jobs and higher wages. Mr. Griffith stated that both he and the National Tooling and Machining Association wholeheartedly support tax reform that includes real reform for both C Corporations and pass-through companies which make up the majority of small businesses in this country. Mr. Bearden continued to say that Chairman Camp's overall goal of simplifying tax rules concerning small business in order to reduce the impact of tax costs and complexity is one both he and the Printing Industries of America can and do support. Mr. Watters testified that AED members overwhelmingly believe that the uncertainty surrounding the tax code is dragging down the economy. Finally, Mr. Harris stated that many small business owners that rely heavily on their business checking accounts for their basic books, what might seem like good tax policy here in the halls of Congress will be, and is, seen as needless burden to someone simply trying to make the next payroll. He later went on to say that Chairman Camp's proposal heads in the right direction for entrepreneurs looking for a simpler system that simplifies their lives and lets them just focus on running and building their businesses.

HEARING: "HEALTH CARE LAW: IMPLEMENTATION AND SMALL BUSINESSES"

On April 17, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "The Health Care Law: Implementation and Small Businesses."

The witnesses were: Douglas Holtz-Eakin, Ph.D., President, American Action Forum, Washington, DC; Mr. William J. Gouldin, Jr., President, Strange's Florists, Greenhouses and Garden Centers, Richmond, VA, testifying on behalf of the National Federation of Independent Business; Ms. Louisa McQueeney, General Manager/CFO, Palm Beach Groves, Lantana, FL, testifying on behalf of the Main Street Alliance; and Mr. Kevin Tindall, Owner, Tindall & Ranson Heating & Cooling, Princeton, NJ, testifying on behalf of the Plumbing-Heating-Cooling Contractors—National Association.

Dr. Holtz-Eakin discussed the health care law's regulatory burdens, regulatory uncertainty, taxes and fees, and impact of raising the cost of insurance have seriously impeded small business growth. For example, he cited the burden of 80 billion hours of paperwork and \$33.8 billion in costs to comply with the law, and

taxes and fees that actually encourage small firms to stay small rather than expand and grow.

Mr. Gouldin, who has 100–150 employees in a blend of full-time, part-time, and seasonal workers, has offered and paid for 100% of his full time employees' health coverage since the 1970s. He testified that his premium costs have risen from .44% of sales in 1968 to nearly 2% of sales in 2012, and rising costs are suppressing wages. He believes the IRS' definition of a "full-time" employee as one working 30 hours or more per week will cause employers to shift employees to 27 hours per week.

Ms. McQueeney stated that she benefited from the law's free wellness checkup, the provision allowing her daughter to remain on her policy after college graduation, and the small business health care tax credit. Her firm also received a refund from its insurer because it did not reach its medical loss ratio goal.

Mr. Tindall, who has 20 employees (down from 30 due to the economy), will not be affected by the employer mandate initially but wants to continue to provide health coverage for his employees. However, in 2011, his premiums rose 9.7% followed by a hike of 9.3% for 2012. He said these continued increases completely stifle his ability to create, provide and sustain jobs.

HEARING: "THE BUDGET OUTLOOK FOR THE SMALL BUSINESS ADMINISTRATION"

On April 24, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "The Budget Outlook for the Small Business Administration." Each year the Committee is required to provide its views and estimates on the budget proposal by the President for the United States Small Business Administration (SBA). This hearing was the Committee's examination of the SBA's budget.

The only witness for the hearing was the Hon. Karen Mills, Administrator, SBA, Washington, DC. The Administrator testified that the budget would: increase the availability of guaranteed loans to small businesses; provide for 32 new procurement center representatives; and establish new, unauthorized entrepreneurial training programs.

HEARING: "RETROSPECTIVE REVIEW: HAVE EXISTING REGULATORY BURDENS ON SMALL BUSINESSES BEEN REDUCED?"

On May 8, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on Federal agencies' efforts to review their existing regulations, as ordered by President Obama under Executive Orders 13,563 and 13,610. The hearing examined whether the retrospective review efforts of the United States Department of Transportation (DOT), the United States Small Business Administration (SBA) and the United States Department of Agriculture (USDA) are resulting in meaningful cost or paperwork burden reductions for small businesses.

The witnesses were: the Hon. Polly Trottenberg, Under Secretary of Transportation for Policy, DOT, Washington, DC; Ms. Jeanne Hulit, Associate Administrator for Capital Access, SBA, Wash-

ington, DC; and Ms. Cheryl Cook, Chief Information Officer, USDA, Washington, DC.

Under Secretary Trottenberg discussed the process DOT used to implement its retrospective review plan and provided several examples of rulemaking actions that DOT is pursuing that it expects will positively affect small businesses. Ms. Hult testified that SBA has proposed several regulatory changes in an effort to increase eligibility for SBA's 7(a) and Certified Development Company loan programs for small businesses. Ms. Cook testified that after reviewing 2,100 public comments and conducting an evaluation of its regulations, USDA identified 13 initiatives in its review plan and is in the process of implementing several initiatives that will reduce paperwork burdens.

“HEARING: PATENT REFORM IMPLEMENTATION AND NEW CHALLENGES
FOR SMALL BUSINESSES”

On May 15, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of providing oversight on the implementation of the America Invents Act (AIA) and its effects on small firms. The AIA signed into law on September 16, 2011, made significant changes to the procedures by which the United States awards patents. Given these changes, the hearing addressed how the procedural changes affect the ability of small businesses to obtain patents. In addition, the hearing examined how patent assertion entities (PAEs), also called “patent trolls,” affect small firms and whether additional changes are needed in patent procedures to ameliorate the adverse consequences of PAEs on small firms.

The witnesses were: Dennis D. Crouch, Esq., Associate Professor of Law, University of Missouri School of Law, Columbia, MO; Mr. Jeff Grainger, Managing Partner, The Foundry LLC, Menlo Park, CA; John R. Thomas, Esq., Professor of Law, Georgetown University Law Center, Washington DC; and Mr. Mark Grady, Founder and President, INdigital Telecom, Fort Wayne, IN.

The witnesses provided testimony on the impact of patent reform on innovative small firms as well as obstacles still present under the patent system; such as frivolous lawsuits by PAEs, which hinder a small firm's ability to develop innovation and stimulate economic growth. Prof. Crouch noted that changes in the AIA create a more robust patent system, but indicated that a rise in patent litigation may jeopardize small firms, who often settle rather than fight to ensure the claim has merit. Mr. Grainger testified on the need for small inventors to have “a strong patent system that provides a fast and efficient examination process, discourages frivolous patent challenges, and imposes serious sanctions on infringers.” Prof. Thomas discussed the benefits of the AIA for patent holders particularly in establishing more certainty, but noted that patent trolling remains significant and systematic issue. Mr. Grady testified that overall the AIA brought about a stronger patent system, but indicated that as PAEs remained a substantial challenge and more should be done to prevent them from unfairly targeting small inventors.

HEARING: "REDUCING DUPLICATION AND PROMOTING EFFICIENCY AT
THE SBA: THE INSPECTOR GENERAL'S VIEW"

On June 5, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of hearing from the Small Business Administration's (SBA) Inspector General on the audits, management assessments, and investigations of improper activity by SBA personnel. The hearing provided members of the Committee with the opportunity to uncover potential changes to SBA operations that would improve efficiency of agency operations without undermining the ability to serve small businesses.

The only witness at the hearing was the Hon. Peggy E. Gustafson, Inspector General, SBA, Washington, DC. The Inspector General testified that her office issued 22 reports containing 126 recommendations for improving SBA operations. She also testified that investigators in her office led to 59 indictments and 59 convictions of those people who defrauded the government.

HEARING: "MADE IN THE USA: STORIES OF AMERICAN
MANUFACTURERS"

On June 19, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of highlighting the accomplishments of and challenges facing small American manufacturers. The hearing, which took place during the Small Business Administration's National Small Business Week, offered members of the committee the opportunity to invite owners and operators of successful small manufacturing businesses that could share their stories.

The first panel of witnesses was made up of: Mr. Rick Scwhind, Jr., V.P. and General Manager, Continental Tool, Smithville, MO; Mr. Terry Iverson, President and CEO, Iverson & Company, Des Plaines, IL; and Mr. Bruce Broxterman, President, Richards Industries, Cincinnati, OH. The second panel was: Mr. Michael Mittler, President, Mittler Brothers Machine & Tool, Wright City, MO; Ms. Jill Johnson, Founder and CEO, Institute for Entrepreneurial Leadership, Newark, NJ; Mr. Anthony Wanger, President, IO, Phoenix, AZ; and Mr. Jim Allen, Director, Shapeways, Inc., Long Island City, NY. Panel number three consisted of: Ms. Barbara Schindler, President, Golden Artist Colors, Inc., New Berlin, NY; Ms. Shelly Gibbons, Vice President, Quik Mart, Tucson, AZ; Mr. Mike Bergmeier, President, Shield Agricultural Equipment, Hutchinson, KS; and Mr. Aaron Bagshaw, President, WH Bagshaw Co., Inc., Nashua, NH. Witnesses on the last panel were: Mr. Brad Braddon, President, Commodore, Bloomfield, NY; Ms. Shirley Brostmeyer, CEO, Florida Turbine Technologies, Jupiter, FL; and Mr. Richard Najarian, President, Precision Global Systems, Troy, MI.

Mr. Schwind, Mr. Broxterman, and Mr. Bergmier all testified about the potential adverse consequences that the President's health care law will have on their ability to expand operations. Mr. Iverson, Mr. Allen, and Mr. Bagshaw opined that finding qualified workers, especially in manufacturing and with appropriate STEM educations, is problematic for small businesses. Mr. Mittler, Ms.

Schindler, Mr. Braddon, Ms. Gibbons and Mr. Najarian told the Committee that regulatory uncertainty, in general (and not just the implementation of the healthcare law), remains an obstacle to further expansion of their businesses. Ms. Johnson and Ms. Brostmeyer opined that programs designed to help small businesses (in terms of entrepreneurial education and government contracting) are providing small businesses with the assistance needed. Finally, Mr. Wanger noted that small businesses, by providing quality service will always have customers.

HEARING: "READY TO EXPORT: SMALL BUSINESS POLICY
RECOMMENDATIONS FOR USTR"

On June 26, 2013 the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for a hearing titled, "Ready to Export: Small Business Policy Recommendations for USTR." The Committee received testimony regarding international trade negotiations conducted by the Office of the United States Trade Representative and their effect on small firms.

The witnesses were: Mrs. Pam Johnson, Family Farmer, President, National Corn Growers Association, Floyd, IA, testifying on behalf of the National Corn Growers Association; Mr. Brooke Fishback, International Sales Manager, Health Enterprises, Inc., North Attleboro, MA; Gary Hufbauer, Esq., Ph.D., Reginald Jones Senior Fellow, Peter G. Peterson Institute for International Economics, Washington, DC; and Mrs. Mariana Huberman, Store Owner, UPS Store, Washington, DC.

Mrs. Johnson provided an overview of the importance and growing demand of United States agricultural exports, including a possible all-time high in export value for the current year. She also stressed the importance of having strong science-based testing on food products in free trade agreements (FTA) to ensure fair market access to foreign markets.

Mr. Fishback stated the potential benefits of new trade agreements, including new sales and increased trade facilitation as a result of harmonizing regulations. He noted that new market access from the Trans-Pacific Partnership could yield sales in the hundred thousand for his small firm.

Dr. Hufbauer opined on the positive benefits of international trade agreements for both direct exporters and indirect exporters. He also stated that the FTAs would make a significant positive impact on small business exporters by lowering costs, reducing red tape and simplifying international payments.

Mrs. Huberman explained the impact of trade policy on service exporters. She stated United States service exports had a \$150 billion trade surplus in 2012 and are a growing export sector. She stressed the importance of the FTAs and the World Trade Organization negotiations on Trade in Services in leveling the playing field for small service companies.

HEARING: "BEYOND THE BELTWAY: SUCCESSFUL STATE STRATEGIES
FOR SMALL BUSINESS GROWTH"

On July 10, 2013, the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony from state officials on innovative ways to entice

and keep business in their states through, among other things, smart regulation, lower tax regimes, low cost of business formation, and access to capital. The hearing, titled “Beyond the Beltway: Successful State Strategies for Small Business Growth” examined why certain states are successful at attracting and retaining businesses, particularly small businesses, in their state.

The witnesses for the hearing were: Mr. Pat Costello, Commissioner, South Dakota Office of Economic Development, Pierre, SD; the Hon. Nick Jordan, Secretary, Kansas Department of Revenue, Topeka, KS; Mr. Aaron Demerson, Executive Director, Texas Office of Economic Development and Tourism, Austin, TX; and, the Hon. Jim Cheng, Secretary of Commerce and Trade, Commonwealth of Virginia, Richmond, VA.

Mr. Costello began the hearing by testifying that South Dakota’s tax climate is unmatched by any other state in the nation as they have of no corporate income tax, no personal income tax, no business inventory tax, no personal property tax and no inheritance tax. Additionally, he continued, South Dakota continually balanced their budget and maintained a surplus. Secretary Jordan stated that starting this year, Kansas began exempting non-wage business income from state income tax. This is the type of income earned by the majority of small Kansas businesses, which typically are structured as LLCs, sole proprietorships, or S-corps, commonly referred to as ‘flow-throughs’ since the taxes for this business income are filed on individual income tax returns rather than corporate tax returns. Mr. Demerson testified that over the last decade, Texas leaders have made principled, thoughtful decisions by not over-taxing, over-regulating or over-litigating their citizens. In Texas, he specified, they have an obligation, responsibility, and goal to the taxpayers to take the necessary steps to make government more efficient and streamlined while reducing spending without raising taxes. Secretary Cheng concluded the testimony by stating Virginia recently launched a regulatory reform initiative to reduce the number of burdensome regulations placed on small businesses. Since September 2012, 562 sections in the Virginia Administrative Code have been identified and 157 sections have already been repealed. He testified that it is not what the federal or state government can do for small business that matters, but how the government can ensure it does not erect unnecessary barriers to job creations.

HEARING: “THE INTERNAL REVENUE SERVICE AND SMALL BUSINESSES:
ENSURING FAIR TREATMENT” COMMITTEE ON SMALL BUSINESS

On July 17, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, Washington, DC, for the purpose of receiving testimony on how the Internal Revenue Service (IRS or Service) targets the tax returns of small business owners for additional scrutiny and audit. Following the recent report by the Treasury Inspector General for Tax Administration (TIGTA) that the IRS improperly targeted certain conservative organizations that applied for non-profit status, Chairman Graves sent a letter on May 31, 2013 to Acting IRS Commissioner Daniel Werfel expressing concern about the criteria used in the review process. Because the Committee wants to ensure that all taxpayers

are treated fairly, it held the hearing to inquire about the screening process IRS uses to review the tax returns of small business owners, how the audit process for small businesses works, and what yield or return the IRS receives as a result. The only witness was Mr. Daniel Werfel, Acting Commissioner of the Internal Revenue Service, Washington, DC.

In his testimony, Mr. Werfel said there was no current evidence of the use of inappropriate screeners or other types of criteria in IRS operations beyond those discussed in the TIGTA report. However, he also said the IRS recognizes there is public concern over the criteria used to review those applications, a concern which the Chairman expressed in his letter. Mr. Werfel said he realizes the IRS needs to do more to evaluate its screening criteria and procedures, so it is establishing a review process by which screening criteria and procedures across the IRS will be periodically assessed to safeguard against any risks of inappropriate criteria. Furthermore, Mr. Werfel said the IRS will continue to review the full range of IRS operations, processes and practices to better focus on its mission. In response to questions, Mr. Werfel said he would provide the Committee with a list of government agencies and third parties with which the IRS shares taxpayer data. Mr. Werfel designated a senior staff member at the Service that the Committee staff may stay in contact with on these issues.

HEARING: "REDUCING RED TAPE: THE NEW OIRA ADMINISTRATOR'S PERSPECTIVE"

On July 24, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on the results of federal agencies' efforts to review their existing regulations as required by Executive Orders 13,563 and 13,610. The hearing examined whether agencies' retrospective review efforts are resulting in meaningful burden reductions for small businesses.

The only witness for the hearing was the Hon. Howard Shelanski, the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC.

Administrator Shelanski, the official charged with overseeing agencies' retrospective review initiatives, began his testimony by discussing the importance of reviewing existing regulations to streamline, modify, or repeal regulations and reduce unnecessary burdens and costs. The Administrator then discussed several final rules that have removed unnecessary recordkeeping and reporting requirements and eliminated outdated regulations. The Administrator noted that the Department of Transportation retrospective review plan identified a number of initiatives that would save small businesses money, including an initiative that would remove duplicative requirements for air carrier drug and alcohol testing programs. The Administrator closed by stating that he intends to look for ways to institutionalize retrospective review of regulations and ensure that it produces significant cost savings for small businesses.

HEARING: "MISSOURI RIVER MANAGEMENT: DOES IT MEET THE NEEDS OF SMALL BUSINESSES?"

On August 21, 2013, the Committee on Small Business met in Room 301 of St. Joseph City Hall, 1100 Frederick Avenue, St. Joseph, Missouri, for the purpose of receiving testimony on: "Missouri River Management: Does It Meet the Needs of Small Businesses?" The purpose of the hearing was to learn the views of small businesses and rural communities pertaining to the United States Army Corps of Engineers (Corps) management of the Missouri River System. The hearing also examined various federal statutes authorizing and influencing Corps management activities.

The witnesses were: Ms. Kathy Kunkel, Clerk, Holt County, Oregon, MO; Mr. Lanny Frakes, Vice President, Missouri Levee and Drainage District Ass'n, Rushville, MO; Ms. Jody Farhat, Chief, Missouri River Management Division, Northwestern Division, United States Army Corps of Engineers, Omaha, NE; Mr. Jason Gregory, Owner, Gregory Farm, Hemple, MO, testifying on behalf of the Missouri Farm Bureau Federation; and Joel Euler, Esq., Troy, KS, testifying on behalf of the South Side Levee District.

Ms. Kunkle testified that in her opinion, the Corps does not do enough to emphasize flood prevention, navigation, and recreational uses of the Missouri River; instead the Corps focuses on fish and wildlife preservation in response to directives of the United States Fish and Wildlife Service. Mr. Frakes, Mr. Gregory, and Mr. Euler agreed with this assessment. Ms. Farhat explained the management of the Missouri River basin and the procedures used to balance the competing interests that utilize the river.

HEARING: "THE CHALLENGE OF RETIREMENT SAVINGS FOR SMALL EMPLOYERS"

On October 2, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, Washington, DC, for the purpose of receiving testimony on the challenges small employers face in offering retirement plans to their employees. The witnesses were: Ms. Catherine Collinson, President, Transamerica Center for Retirement Studies, Los Angeles, CA; Paula A. Calimafde, Esq., PaleyRothman, Bethesda, MD, testifying on behalf of the Small Business Council of America and the Small Business Legislative Council; C. Roy Messick, CPA, QPA, TPP Retirement Plan Specialists, LLC, Overland Park, KS; and Mr. Ray Rucksdashel, Chief Financial Officer, Quest-Tec Solutions, Inc., Houston, TX.

Ms. Collinson presented the results of Transamerica's 14th annual retirement benefits survey. It suggested that recent trends toward part-time employment, due in part to the health care law's definition of full-time as averaging 30 hours per week, could signal a decline in retirement plan coverage. At small companies, only 36% of part-time workers are offered plans, compared to 68% of full-time workers.

Ms. Calimafde encouraged the Committee members to increase the tax incentives for retirement savings, noting a strong correlation between tax benefits and employers offering retirement plans.

She also said research shows that employees are 14 times more likely to save for retirement if offered a workplace plan.

Mr. Messick testified that employers offer 401(k) plans because they are a significant employee recruiting tool, and contribution limits are higher than for an IRA. On the other hand, retirement plans are complicated to administer, and so they are expensive to offer. For some small firm owners, the tax savings are not sufficient to outweigh the cost.

Mr. Rucksdassel said his firm's 401(k) plan has been critical to attracting and retaining skilled workers in the competitive oil and gas industry and in a competitive labor market like Houston. He said that the company's plan is costly to offer, but it costs less than recruiting, hiring and training new employees.

HEARING: "THE STARTUP MOVEMENT"

On November 20, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to examine the importance of startups to the economy and receive testimony on whether distinctions between startups and small businesses necessitate different policies.

The witnesses were: Mr. Adam Arredondo, Co-Leader, Kansas City Startup Village, Kansas City, KS; Ms. Allison Lami Sawyer, CEO and Founder, Rebellion Photonics, Houston, TX; Mr. Jeff Reid, Founding Director, Georgetown Entrepreneurship Initiative, Georgetown University, Washington, DC; and Mr. Anton Gelman, CEO, Cont3nt, Dulles, VA.

The witnesses provided testimony highlighting startups as a distinguishable subset of small firms and detailing characteristics that makes startups successful as well as explaining the unique challenges they face. Mr. Arredondo testified that startups want rapid growth and "although a startup can be categorized as a small business, very few small businesses can be categorized as a startup." Mrs. Lami Sawyer noted that while the SBIR program is beneficial, broadly the federal procurement process works too slowly and does not lend itself to the fast growing pace of burgeoning startups, which disadvantages both the government and the startups. Mr. Reid opined that entrepreneurship can be taught and that focusing on entrepreneurial spirit is important in addition to reducing uncertainty and regulations. Mr. Gelman discussed the principles of startups such as scalable growth, which lead to rapid job creation, a characteristic not found in traditional small firms.

HEARING: "THE HEALTH CARE LAW: THE EFFECT OF THE BUSINESS AGGREGATION RULES ON SMALL EMPLOYERS"

On December 4, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, Washington, DC, for the purpose of receiving testimony on the health care law's use of the business aggregation rules and their effect on small employers. Under the health care law, to determine whether an employer is subject to the employer mandate, he or she must calculate if at least 50 full-time equivalents have been employed during the preceding year. To do this, the business owner currently must determine the businesses that comprise "the employer" using the Internal Revenue Code's business aggregation rules.

The witnesses were: Deborah Walker, CPA, National Director, Compensation & Benefits, Cherry Baekert LLP, Washington, DC; Ms. Sibyl Bogardus, Chief Compliance Officer, Western Region Employee Benefits, Hub International Insurance Services Inc., Salt Lake City, UT; Mr. Ellis Winstanley, Chief Executive Officer, Tradelogic Corporation, Austin, TX, testifying on behalf of the National Restaurant Ass'n; and Donna Baker, CPA, Donna Baker & Associates, Adrian, MI.

Ms. Walker testified that to do this, one needs detailed information on business ownership and the business relationships between the entities. Many small businesses are not aware of the business aggregation rules or have the technical knowledge needed to decipher them. The witnesses said entrepreneurs will require the advice of a tax specialist who fully understands the business aggregation rules.

Ms. Bogardus testified that most small businesses are not aware of the rules. Although the rules do apply to other situations, such as a business voluntarily offering a retirement plan, the application in the health care law is mandatory. She said business owners are refraining from hiring so they will not be close to the 50-employee employer mandate threshold. She also said some business owners may avoid investing in other businesses, depriving them of scarce capital. Young people are not enrolling in coverage, even with lower premiums, because they would rather have the money.

Mr. Winstanley, who owns several small businesses in different industries with his brother and others with his parents, said his businesses are likely to be aggregated together, requiring him to offer health insurance to all of his full-time employees. He believes the health care law is draining resources that would otherwise be used to grow the companies.

Ms. Baker, who owns a small accounting firm and a small tax and payroll business, said even she as a Certified Public Accountant did not possess the specialized knowledge of the business aggregation rules, and did not think the rules would apply to her situation. Her husband and his brother operate a dairy farm which, because the land is co-owned by Ms. Baker and Mr. Baker's sister-in-law, will be aggregated with Ms. Baker's company under the health care law. Ms. Baker also stated that her insurance plan has been cancelled, and premiums for her new plan rose by 40–44% and has fewer benefits.

HEARING: "THE SMALL BUSINESS HEALTH OPTIONS PROGRAM: IS IT WORKING FOR SMALL BUSINESSES?"

On December 11, 2013, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "The Small Business Health Options Program: Is It Working for Small Businesses?" The purpose of the hearing was to examine the implementation of the Small Business Health Insurance Program (SHOP) health insurance exchanges authorized in the Patient Protection and Affordable Care Act.

The witness was: Gary Cohen, Esq., Deputy Administrator, Centers for Medicare and Medicaid Services, Department of Health and Human Services, Washington, DC.

Chairman Graves and Committee members questioned Deputy Administrator Cohen regarding delays in the implementation of the SHOP exchanges. Chairman Graves noted that the Centers for Medicare and Medicaid Services was aware of significant technological issues that could preclude online enrollment in health insurance through the Federally-Facilitated SHOP exchange, yet the Administration repeatedly assured small businesses and Congress that these problems would be fixed by early November 2013, and then by mid-November 2013 before announcing on November 27, 2013 that online enrollment through the Federally-Facilitated SHOP exchanges would be delayed until November 2014.

Committee members also requested Deputy Administrator Cohen provide the Committee with information on the number of small businesses that have obtained health insurance coverage through SHOP exchanges and how many small businesses will receive tax credits for the purchase of health insurance coverage as of the date of the hearing. Deputy Administrator Cohen stated he did not have this information readily available. Deputy Administrator Cohen promised to provide data on the enrollees through the SHOP exchanges to the Committee.

HEARING: "THE POWER OF CONNECTION: PEER-TO-PEER BUSINESSES"

On January 15, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to examine the rise of the peer-to-peer (P2P) business model. Specifically, the hearing focused on the capacity of P2P businesses to spark micro-entrepreneurship and the macroeconomic consequences associated with the creation of new small businesses.

The witnesses were: Arun Sundararajan, Ph.D., Professor, Stern School of Business, New York University, New York, NY; Beth Stevens, Esq., Assistant General Counsel, Sidecar Technologies, Inc., San Francisco, CA; Mr. Alan Mond, CEO, 1000 Tools, Inc., Ann Arbor, MI; and Philip Auerswald, Ph.D., Associate Professor, School of Public Policy, George Mason University, Arlington, VA.

The witnesses provided testimony highlighting how P2P businesses are shifting parts of the economy while reducing barriers to entry into the marketplace for individuals, while detailing unique challenges for these firms at the state and local level. Prof. Sundararajan opined that while the true economic effects is still unknown it is clear that P2P businesses are causing economic disruption and the government must be careful not to impede the growth through improper regulations. Ms. Stevens discussed the positive effects of ride-sharing on the economy and opined that "regulatory frameworks and enforcement, having already long supported ridesharing goals, should support, not hinder, this opportunity." Mr. Mond testified that "this new generation of collaborative consumers and microentrepreneurs live in an ecosystem called the sharing economy, and it has crossed the chasm into mainstream adoption." Prof. Auerswald surmised that the sharing economy is part of human nature but today's technology allows this sharing to occur more easily and rapidly, the P2P business model thus spurs economic growth and job creation but also creates economic disruption.

HEARING: "THE FAA'S IMPACT ON SMALL BUSINESSES IN THE GENERAL AVIATION INDUSTRY"

On February 5, 2014, the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony from small businesses and other experts in the general aviation industry about how well the Federal Aviation Administration (FAA) works with industry when formulating new regulations, policy guidelines, and certification requirements. The hearing, titled "The FAA's Impact on Small Businesses in the General Aviation Industry" examined specific FAA policies and internal structures that are increasing the associated costs of participation in the general aviation industry, and the economic effects on that industry and businesses that rely on general aviation.

The witnesses for the hearing were: Mr. John Uczekaj, President and CEO, Aspen Avionics, Albuquerque, NM, testifying on behalf of the General Aviation Manufacturers Association; Mr. Austin Heffernan, Owner and Manager, Royal Aircraft Services, Hagerstown, MD, testifying on behalf of the Aircraft Owners and Pilots Association; Mr. Jamail Larkins, President and CEO, Ascension Aircraft, Atlanta, GA, testifying on behalf of the National Business Aviation Association; and, Kenneth Button, Ph.D., Professor, School of Public Policy, George Mason University, Arlington, VA.

Mr. Uczekaj stated that one of the biggest challenges he faces as a small business owner is response times for FAA approvals of new equipment and installations. Each week, small aerospace businesses like Aspen are losing hundreds of thousands of dollars due to approval delays from the FAA. He continued that the certification process is often unpredictable and results in increased product development times and costs as companies develop new products and must wait for the FAA to apply resources. To echo Mr. Uczekaj's statements, Mr. Heffernan testified that FAA policies and internal structures are increasing the cost of participation in general aviation without providing commensurate safety benefits. He continued to state that he believes the FAA routinely seems to find its hands tied by existing regulations when it wants to encourage the adoption of newer technologies and practices that could enhance safety. Mr. Larkins expressed concern over the FAA's new policy subjecting pilots with a body mass index of over 40 to undergo Obstructive Sleep Apnea screening prior to receiving a medical certificate. This policy, proposed by the FAA without any input from industry or through the following of a proper formal rule-making procedure, is representative of the industry's frustration of unilateral decisions made by the FAA. Dr. Button testified that the FAA must regulate the general aviation industry in a manner that allows the general public to perceive it as safe.

HEARING: "BUILDING ON THE WIRELESS REVOLUTION: OPPORTUNITIES AND BARRIERS FOR SMALL FIRMS"

On February 11, 2014 at 1:00 p.m., the Committee on Small Business held a hearing titled, "Building on the Wireless Revolution: Opportunities and Barriers for Small Firms." The Committee examined applications for mobile communication devices that can

be used to remotely control other devices, such as home appliances, automobiles, and farm equipment.

Witnesses were: Mr. Michael Feldman, Vice President of Engineering, Big Belly Solar, Newton, MA; Mr. Brian Marshall, Owner, Marshall Farms, Maysville, MO, testifying on behalf of Missouri Farm Bureau Federation and the American Farm Bureau Federation; Mr. Leo McCloskey, Senior Vice President, Intelligent Transportation Society of America, Washington, DC; and Mr. Darrell West, Vice President, Brookings Institution, Washington, DC.

At the hearing, witnesses provided an overview of the benefits and uses of new technology, while also outlining potential barriers, including adequate access to spectrum and various federal regulations. Mr. Feldman explained the background and innovation of their wireless trash cans, and provided statistics around the economic and environmental benefits of the new technology. Mr. Marshall explained how wireless technology is changing agriculture and the need for broadband access in rural areas to speed this transformation. Mr. McCloskey described the rapid vehicle-to-vehicle communication and other wireless technological advances that will promote safety on American roads. Mr. West stressed the importance of the wireless industry as an economic driver and catalyst but tempered that with the need to balance revenue from spectrum auctions with the ability of consumers and innovators to access unlicensed spectrum.

HEARING: "THE RISE OF 3D PRINTING: OPPORTUNITIES FOR
ENTREPRENEURS"

On March 12, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building in order to receive testimony from makers and users of 3D printing. The hearing provided an opportunity for the Committee to see the cutting edge in this new manufacturing technology at which small businesses are in the vanguard.

The witnesses were: Mr. Patrick O'Neill, CEO, olloclip, LLC, Huntington Beach, CA; Mr. Jonathan Cobb, Executive Vice President, Public Affairs, Stratasys, Inc., Eden Prairie, MN, testifying on behalf of the National Association of Manufacturers; Mr. Peter Weijmarshausen, CEO, Shapeways, Inc., New York, NY; and Ms. Jan Baum, Executive Director, 3D Maryland, Maryland Center for Entrepreneurship, Columbia, MD.

Mr. O'Neill testified about starting a business in his kitchen three years ago that has transformed into a 50-employee company with its product, a clip-on lens for iphones, now being sold in every Apple store in the United States and in 90 countries. He said that he could not imagine running the business without using 3D printing, as his company can now produce prototypes and variations of new product ideas all in the same day right at the company's headquarters, rather than waiting weeks, sometimes months, for a delivery from a rapid prototyping bureau. Mr. Cobb testified that Stratasys, whose founder Scott Crump invented fused deposition modeling, one of the most commonly used method of 3D printing today, has gone from making printers used predominantly by engineers to test designs, to also designing and selling printers geared towards entrepreneurs and at-home innovators. He told the story

of one customer of Stratasys that essentially started his own “factory on his desk,” selling his product directly to end-users, all using a consumer-level 3D printer. Mr. Weijmarshausen testified on the ability of 3D printing to take much of the risk out of being an entrepreneur, as no longer does one have to mass-manufacture something before selling it. He also discussed how his company, Shapeways, a small business in its own right, is enabling others to start business ventures and become entrepreneurs by providing both 3D printing technology and a platform for creating, then selling products directly to end-users. On this note, he expressed concern that there is currently not a safe harbor under the Digital Millennium Copyright Act for patent infringements on online platforms. Ms. Baum testified on the ability of 3D printing to help level the playing field for small businesses competing against larger companies, and gave examples of companies she provides guidance to at 3D Maryland that are using 3D printing to assist in the growth of their businesses. All the witnesses were consentient in requesting that government not institute policies (including intellectual property protections) that inhibit the growth and utilization of 3D printing.

HEARING: “BITCOIN: EXAMINING THE BENEFITS AND RISKS FOR SMALL BUSINESS”

On April 2, 2014 at 1:00 p.m., the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on the potential benefits and detriments of virtual currency, including Bitcoin. The hearing, titled “Bitcoin: Examining the Benefits and Risks for Small Business” sought to explore the issues surrounding Bitcoins, a form of virtual currency first introduced in 2008 that allows users to exchange value digitally through the Internet. Despite not being backed by a government, or holding any intrinsic value of their own, Bitcoins are growing as an alternative payment method for small businesses.

The witnesses for the hearing were: Jerry Brito, Esq., Senior Research Fellow, Mercatus Center, George Mason University, Arlington, VA; Mr. Adam White, Director of Business Development and Sales, Coinbase, San Francisco, CA; Mr. Mark Williams, Executive-in-Residence, School of Management, Boston University, Boston, MA; and, L. Michael Couvillion, Ph.D., Associate Professor of Economics, Plymouth State University, Plymouth, NH.

Mr. Brito testified that Bitcoins are the world’s first completely decentralized currency and this technological breakthrough presents both potential benefits and risks for consumers and small businesses. The benefits of Bitcoin include lower transaction costs, and the elimination of various risk associated with accepting credit or debit cards. The risks of Bitcoin include high volatility, potential use for criminal activity and problems securing Bitcoin from computer hackers. Mr. White testified that Bitcoins enable frictionless, cross-border transactions that settle immediately, and that there are ways to mitigate the risks that Bitcoins may pose for small businesses. Mr. Williams testified that Bitcoin is an example of a new technology that has clear promise, but also poses a multitude of risks including that it is not considered legal tender, price vola-

tility, and compliance burdens placed on small businesses associated with the Internal Revenue Service's recent guidance on the tax treatment of Bitcoin. Dr. Couvillion testified that digital currency is here to stay and will ultimately thrive as a partial substitute for credit cards and fiat currency.

HEARING: "THE BIGGEST TAX PROBLEMS FOR SMALL BUSINESSES"

On April 9, 2014, at 1:00 p.m., the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, Washington, DC, for the purpose of receiving testimony on the tax problems that small business owners face. The witnesses were: David Kautter, Esq., Managing Director, Kogod Tax Center, Kogod School of Business, American University, Washington, DC; Mr. Tim Reynolds, President, Tribute, Inc., Hudson, OH, testifying on behalf of the National Small Business Association; Mr. Rick Endres, President, The Washington Network, Inc., Alexandria, VA, testifying on behalf of The ASCII Group; and Donald Marron, Ph.D., Director of Economic Policy Initiatives and Institute Fellow, Urban Institute, Washington, DC.

Mr. Kautter said his surveys show the tax code is now complex in structure, incomprehensible in nature and pervasive in effect on small firms. Mr. Reynolds reviewed the results of National Small Business Association's annual small business tax survey, released concurrent with the hearing, which found half of small business owners spend \$5,000 or more annually on federal tax compliance; 84% use outside professionals to prepare their tax returns; and 73% said taxes have a significant impact on their business decisions. Mr. Endres testified that most tax incentives are rarely worth the time and cost to apply for them, and cited the small business health care tax credit as the best example: he would have paid \$1500 in accountant fees to figure a \$500 credit. Dr. Marron said that America's tax system is needlessly complex, economically harmful and often unfair, and despite recent gains, will not raise sufficient revenue to pay the government's future bills.

HEARING: "SBA-CREATED INITIATIVES: NECESSARY OR REDUNDANT SPENDING"

On April 30, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of providing oversight on entrepreneurial development initiatives created by the Small Business Administration (SBA). Specifically, the hearing examined whether these programs are duplicative of other existing entrepreneurial development programs that have specific statutory authorizations and how the SBA is measuring the success or failure of the programs it initiates.

The witnesses were: Mr. Rhett Jeppson, Associate Administrator, Office of Veterans Business Development, SBA, Washington, DC; Mr. Javier Saade, Associate Administrator, Office of Investment and Innovation, SBA, Washington, DC; and Ms. Tameka Montgomery, Associate Administrator, Office of Entrepreneurial Development, SBA, Washington, DC.

The witnesses provided testimony on entrepreneurial development programs created by the SBA without specific direction from Congress. The witnesses' testimony focused on four SBA-created

initiatives: Entrepreneurial Education; Growth Accelerators; Boots-to-Business; and Regional Innovation Clusters. Mr. Jeppson testified that SBA would be expanding Boots-to-Business; however, he also noted that Veterans' Business Outreach Centers, the statutorily authorized program he oversees, operates on a shoestring budget and has been flat-lined since roughly 2008. Mr. Saade discussed SBA's plans to launch a "\$2.5 million contest for accelerators," although he was unable to adequately explain SBA's rationale for changes in the budget justification which removed the private matching requirement. Ms. Montgomery opined that both Regional Innovation Clusters and Entrepreneurial Education allow the SBA flexibility to meet the changing needs of small business owners. However, she also noted that SBA would be creating another new initiative built off of existing platforms within SBA.

HEARING: "MILITARY TO ENTREPRENEURSHIP: PRIVATE SECTOR INITIATIVES TO HELP VETERANS PURSUE BUSINESS OPPORTUNITIES"

On May 7, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building in order to receive testimony from veteran-small business owners about how programs created by the private sector are helping them to achieve their goals. The hearing focused on the assistance veterans need to become entrepreneurs.

The witnesses were: Mr. Wade Franklin, Owner, The UPS Store Clarendon, Arlington, VA, testifying on behalf of the International Franchise Association; Ms. Dawn Smith, Founder and CEO, Mystic Reme Teas, Greenville, SC, testifying on behalf of the Business and Professional Women's Foundation; Mr. Charleston Malkemus, Founder and CEO, Gozump, Inc., Miami, FL, testifying on behalf of the U.S. Chamber of Commerce Foundation; and Mr. Davy Leghorn, Assistant Director, National Employment and Education Division, The American Legion, Washington, DC.

The witnesses provided testimony about various initiatives created in the private sector that have helped them, and are helping others, enter the business world upon returning from military service. Mr. Franklin testified about how after returning to civilian life after seven years in the Navy, he knew he wanted to open a business but did not know where to start until coming across veteran franchise opportunities through the VetFran initiative, a program put on by the International Franchise Association's 600 member companies. Mr. Franklin eventually connected with UPS, who waived a \$30,000 franchise fee as part of its VetFran participation, enabling him to open his own store in 2012. Ms. Smith testified that after serving eight years in the Air Forces which included six deployments to Afghanistan, Iraq, Germany, and Turkey, the only jobs she could find were positions such as a warehouse worker or office secretary, even after earning her MBA and being in charge of managing troop and cargo logistics during her military service. She then came across the Business and Professional Women's Foundation, whose mentoring program helped her to find gainful employment and eventually go on to open an online tea retail store. Mr. Malkemus testified on the opportunity small businesses around the nation have to hire an extremely talented group of over 1.5 million service members that will be transitioning to civilian life with-

in the next five years. He also discussed the unique ability of combat veterans to succeed in startup environments, and lauded the U.S. Chamber of Commerce Foundation's Hiring Our Heroes Program for helping to bridge the disconnect between employers and returning service members. Mr. Leghorn testified on the ability of the Small Business Administration and other government programs to assist veterans, but encouraged the committee to look at ways the private sector can play a larger role in this effort.

HEARING: "OVERSIGHT OF THE SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAMS"

On May 21, 2014, the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs. The hearing, titled "Oversight of the Small Business Innovation Research and Small Business Technology Transfer Programs," examined the programmatic changes to both programs made in Titles L and LI of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81). The hearing focused on private sector impressions of the programs and the real world effect of numerous changes made by Congress to the SBIR and STTR Programs.

The witnesses for the hearing were: Mr. John Clanton, CEO, Lynntech, Inc., College Station, TX; Cartier Esham, Ph.D., Executive Vice President, Emerging Companies, Biotechnology Industry Organization (BIO), Washington, D.C.; David Finifter, Ph.D., Professor of Economics, Emeritus, Research Professor of Public Policy, The College of William and Mary, Williamsburg, VA; and Mr. Robert Schmidt, Chairman, Cleveland Medical Devices, Inc., Cleveland, OH, testifying on behalf of the Small Business Technology Council.

Mr. Clanton began the hearing by talking about the increased focus on commercialization efforts of both SBIR awardees and participating agencies. He testified that incorporating the methods of joint accountability from both small business and the agency and that holding individual companies accountable for using federal dollars effectively, and requiring agency participation in commercialization was one of the most important parts of the legislation. Dr. Esham continued by stating that BIO strongly supported the legislative changes as it made two vital reforms to the program by allowing majority-backed companies to once again be able to participate in the SBIR program and it modified the affiliation rules so that SBIR applicants will not be affiliated with their investors' portfolio companies simply on the basis of shared investors. Dr. Finifter stated that he is a fan of the SBIR approach to federal government support for achieving several important goals including encouraging hi-tech research from small businesses and encouraging commercialization and infusion (into federal agencies) of the technologies generated. Mr. Schmidt ended the testimony by expressing disappointment at the lack of federal agency compliance with several portions of the reauthorization law. For instance, he stated that despite strong direction by Congress and the requirement for reporting, goals and incentives to help transition their technology, there has been little progress and as a recent Department of Defense Inspector General report found, there are still no

reporting requirements for prime contractors or the Government Agencies on how many technologies are being transitioned.

HEARING: "WILL EPA'S 'WATERS OF THE UNITED STATES' RULE DROWN SMALL BUSINESSES?"

On May 29, 2014, the Committee on Small Business met for a hearing titled, "Will EPA's 'Waters of the United States' Rule Drown Small Businesses?" The hearing examined the Environmental Protection Agency's (EPA) and United States Army Corps of Engineers' (Corps) (collectively, the "agencies") recently proposed rule that would broaden the scope of waters subject to federal jurisdiction under the Clean Water Act (CWA). The proposed rule revises the regulatory definition of "waters of the United States." Once a body of water is determined to be a water of the United States, the permitting requirements of the CWA are triggered. Pollutants and dredged and fill materials cannot be discharged without a permit.

Witnesses on the only panel were: Mr. Jack Field, Owner, Lazy JF Cattle Co., Yakima, WA, testifying on behalf of the National Cattlemen's Beef Association and Washington Cattlemen's Association; Mr. Tom Woods, President, Woods Custom Homes, Blue Springs, MO, testifying on behalf of National Association of Home Builders; Mr. Alan Parks, Vice President, Memphis Stone and Gravel Co., Memphis, TN, testifying on behalf of National Stone, Sand and Gravel Association; and William Buzbee, Esq., Professor of Law and Director of the Environmental and Natural Resources Law Program, Emory University School of Law, Atlanta, GA.

At the hearing, a panel of private sector witnesses discussed the proposed rule, their concerns with its potential effects on small businesses and the agencies' failure to comply with the Regulatory Flexibility Act (RFA). Mr. Field described a fence that he recently built near a small stream. He stated he would not have built the fence if the proposed rule was in effect because the time and money required to obtain a dredge and fill permit would jeopardize his entire ranching operation. Mr. Woods stated that proposed rule is confusing, which will make it difficult for small businesses, such as home builders who often need to obtain CWA permits, to comply and grow. He also discussed the agencies' lack of outreach to affected small businesses and their failure to assess the effects of the proposed rule on small businesses as required by the RFA. Mr. Parks stated that the proposed rule uses vague terms and undefined concepts and would result in delayed jurisdictional determinations and permits which could make projects infeasible due to the costs and time involved. Finally, Mr. Buzbee discussed the need for clarity as to the scope of waters subject to the CWA following several recent Supreme Court decisions.

HEARING: "FAA'S 2020 NEXTGEN MANDATE: BENEFITS AND CHALLENGES FOR GENERAL AVIATION"

On June 11, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building in order to receive testimony from the Administrator of the Federal Aviation Administration as well as small businesses and industry representatives involved in general aviation about the FAA's 2020 NextGen

mandate, benefits to and compliance challenges for the industry, and the importance of both incentivizing and ensuring widespread adoption.

There were two panels of witnesses for the hearing. The only witness on the first panel was: the Hon. Michael Huerta, Administrator, Federal Aviation Administration, United States Department of Transportation, Washington, DC. Witnesses on the second panel were: Ms. Paula Derks, President, Aircraft Electronics Association, Lee's Summit, MO; Mr. Tim Taylor, President and CEO, Free Flight Systems, Inc., Irving, TX, testifying on behalf of the General Aviation Manufacturers Association; Mr. Bob Hepp, Owner, Aviation Adventures, Manassas, VA, testifying on behalf of the Aircraft Owners and Pilots Association; Kenneth Button, Ph.D., Director, Center for Transportation, Policy, Operations and Logistics, George Mason University, Arlington, VA.

Administrator Huerta testified to the benefits ADS-B Out will bring the general aviation community, and called on the users of the airspace covered by the mandate to equip their aircraft in order to maximize the benefits of NextGen. The Administrator added that the agency is doing everything they can to ameliorate the burden on operators and facilitate low-cost alternatives for the general aviation community. He also discussed a wide range of options available for users of GA aircraft in complying with the mandate.

Ms. Derks testified that owners of general aviation aircraft are "on the clock" with the mandate, as while ADS-B installation capacity today far exceeds the demand of aircraft owners looking to comply with the 2020 mandate, this inverse relationship will not last unless 100 or more installs are completed per day beginning now, 25-times more than the current installation rate. Ms. Derks said one way this can happen is the FAA's creation of a loan-guarantee program, authorized by Congress, to incentivize equipage. Mr. Taylor testified that manufacturers like his company have completed the research and development investments that will make the required equipment readily available and affordable, but encouraged the general aviation community to stop delaying and equip now, as contrary to popular belief among the general aviation community, he doesn't foresee the prices of equipment continuing to decrease. Mr. Taylor mentioned multiple customers and potential customers of his company that are anxiously awaiting the FAA creation of a loan-guarantee program. Mr. Hepp testified that the 2020 mandate will be cost prohibitive for most small flight schools like his, as well as businesses using aircraft, and encouraged providing low-cost guaranteed loans for general aviation equipage. Dr. Button testified about the safety benefits of and need for the mandate, and called the delay of the FAA's financing program unfortunate.

HEARING: "BARRIERS TO ENTREPRENEURSHIP: EXAMINING THE ANTI-TRUST IMPLICATIONS OF OCCUPATIONAL LICENSING"

On July 16, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to examine the barriers that occupational licensing requirements impose on entrepreneurs. Specifically, the Committee examined how the Federal Trade Commission (FTC) utilizes advocacy and enforcement of federal anti-

trust laws to prohibit unfair competition. The only witness for the hearing was Andrew Gavil, Director, Office of Policy Planning, FTC, Washington, DC.

Director Gavil commenced his testimony by describing the FTC's broad role as an advocate for competition and the FTC's enforcement authority to challenge anti-competitive behavior. He then specifically addressed occupational licensing and noted the potential occupational licenses have to create adverse effects on competition. Although, the FTC does not have a primary stance on the pros and cons of occupational regulation, Director Gavil discussed the framework for evaluating whether an occupational licensing requirement is narrowly tailored or unduly restrictive on competition. He closed by stating that while some occupational regulation is rational; it is important that occupational boards are careful to use the least restrictive means necessary to achieve their consumer protection objective.

HEARING: "OVERSIGHT OF THE SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAMS—PART II"

On July 23, 2014, the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs. The hearing, titled "Oversight of the Small Business Innovation Research and Small Business Technology Transfer Programs—Part II," examined the programmatic changes to both programs made in Titles L and LI of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112–81). The hearing focused federal agency compliance with those changes made by Congress to the SBIR and STTR Programs.

The witnesses for the hearing were: Mr. Javier Saade, Associate Administrator for the Office of Investment and Innovation, United States Small Business Administration, Washington, DC; Matthew Portnoy, Ph.D., Director, Division of Special Programs NIH SBIR/STTR Program Manager, National Institutes of Health, Bethesda, MD; Mr. Andre Gudger, Director, Office of Small Business Programs, Office of the Under Secretary of Defense, Acquisition, Technology & Logistics, Department of Defense, Arlington, VA; and Ms. Marie Mak, Acting Director, Acquisition & Sourcing Management Team, United States Government Accountability Office, Washington, DC.

Mr. Saade began the hearing by stating that the SBIR and STTR programs make up the largest seed investing pool on the globe and stressed that the United States needs to continue to invest in our future as others catch up so that we may be able to maintain our leadership in technological innovation. Mr. Gudger testified that the programs are tools for the Department of Defense (DOD) to seed innovation in our industrial base, and, in so doing, develop leading-edge technologies with the potential to meet warfighter needs, today and in the future. He added that now, more than ever, we need to leverage the responsiveness, efficiency, capability, and technological innovation our nation's small businesses provide. Mr. Gudger later testified that all provisions from the reauthorization

law that pertained to the DOD have been implemented, a charge questioned by members of the committee and the next witness, Marie Mak. Specifically, Ms. Mak stressed that the DOD must do a much better job at collecting and implementing a plan for obtaining more comprehensible and reliable measures of technology transition. She also stated that without better information on technology transition, questions will remain as to whether the DOD SBIR program is providing the right technologies at the right time to users, using effective approaches to select, develop, and transition technologies, and providing tangible benefits. Dr. Portnoy testified that the NIH SBIR/STTR programs continue to be critical to feeding the innovation pipeline that promises to deliver the medical advances of tomorrow and have complemented NIH's mission to advance science while bringing new health care solutions to the public.

HEARING: "REGULATORY OVERREACH: IS EPA MEETING ITS SMALL BUSINESS OBLIGATIONS?"

On July 30, 2014, the Committee on Small Business met for a hearing titled, "Regulatory Overreach: Is EPA Meeting Its Small Business Obligations?" The hearing examined the Environmental Protection Agency's (EPA) compliance with the Regulatory Flexibility Act (RFA). The only witness for the hearing was the Hon. Bob Perciasepe, Deputy Administrator, EPA, Washington, DC.

At the hearing, Deputy Administrator Perciasepe discussed the EPA's recently proposed rules to reduce carbon dioxide emissions from future and existing power plants as well as the EPA and United States Army Corps of Engineers' proposed rule to revise the definition of "waters of the United States." He stated that the EPA is interested in receiving input from small businesses that will be affected by the rules. However, Deputy Administrator Perciasepe also confirmed that the EPA did not conduct formal outreach to small businesses through small business advocacy review panels for either the power plants rules or the "Waters of the United States" proposed rule. Furthermore, he stated that EPA's intent with the "Waters of the United States" proposed rule is provide clarity and certainty as to which waters are subject to the Clean Water Act's requirements, but the agency is struggling to achieve that objective.

HEARING: "SMALL BUSINESS ADMINISTRATION: MANAGEMENT AND OUTLOOK"

On September 10, 2014, the Committee on Small Business met for a hearing titled "Small Business Administration: Management and Outlook." The hearing examined both the management of the Small Business Administration under recently confirmed Administrator Contreras-Sweet and her plans for the agency moving forward.

The sole witness was the Honorable Maria Contreras-Sweet, Administrator, Small Business Administration, Washington, DC.

Administrator Contreras-Sweet testified about the SBA's priorities and some of the things the SBA is doing in line with her vision for the agency. She testified that while the SBA remains focused on its underlying mission to help small businesses access

capital, counseling, contracts, and disaster assistance, the agency must become more innovative, much like the small businesses it serves. The Administrator said as part of this effort the agency must be smart and accessible, and cited the recent launch of a new credit scoring model for smaller dollar loans and plans for an interactive loan document platform as examples of the SBA evolving. The Administrator also announced the federal government met its contracting goal for small businesses during the last fiscal year but missed the goal for women-owned businesses. She concluded by telling the Committee that the agency is working to find new ways to facilitate micro-capital going to entrepreneurs, many of which now include underserved minorities.

HEARING: "IS THE FCC RESPONDING TO THE NEEDS OF SMALL BUSINESS AND RURAL AMERICA?"

On September 17, 2014, the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony from the Chairman of the Federal Communications Commission (FCC). The hearing titled "Is the FCC Responding to the Needs of Small Businesses and Rural America" examined telecommunications issues that are important to small firms including broadband deployment, Universal Service Fund (USF) reform efforts, net neutrality, and wireless spectrum availability, among others. The sole witness for the hearing was The Honorable Thomas Wheeler, Chairman, Federal Communications Commission.

Chairman Wheeler testified about the FCC's efforts to promote both wire-line and wireless connectivity and ensure reliable systems, particularly in rural areas. Specifically, he stated that 12 million Americans live in areas where wired broadband is not available and he focused on the FCC's recent actions to update the USF to focus on broadband deployment, including establishing the Connect America Fund. Chairman Wheeler continued to testify about the FCC's May 2014 Notice of Proposed Rulemaking seeking public comment on how best to protect and promote an open Internet, commonly referred to as net neutrality. Members of the Committee strongly cautioned Chairman Wheeler to not significantly change the way in which the Internet is regulated, arguing that enforcing a new and more stringent regulatory structure could fundamentally change the way small businesses utilize the Internet and slow economic growth. Throughout the hearing, members of the Committee repeatedly conveyed the importance of an FCC agenda that analyzed the intended and unintended consequences of their actions on innovation and rural access for small businesses.

PART B

SUBCOMMITTEE HEARINGS

HEARING: "SMALL BUSINESS TRADE AGENDA: OPPORTUNITIES IN THE 113TH CONGRESS"

On February 28, 2013, the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met for a hearing titled, "Small Business Trade Agenda: Opportunities in the 113th Congress." The hearing provided an opportunity to examine the obstacles and barriers that deter small businesses from participating in international trade. In addition, the hearing highlighted possible trade policy initiatives for the 113th Congress.

The witnesses were: Mr. Daniel Ogden, Chairman of District Export Council (DEC) and Attorney at Law & International Trade Consultant, Carrollton, TX; Ms. Jenny Fulton, CEO of Miss Jenny's Pickles, Kernersville, NC, testifying on behalf of the U.S. Chamber of Commerce; Mr. Michael Myhre, Associate State Director, Florida Small Business Development Center (SBDC) Network, Tallahassee, FL, testifying on behalf of the Association of Small Business Development Centers; and Mr. Raymond Arth, President and CEO of Phoenix Products, Inc., Avon Lake, OH, testifying on behalf of the National Small Business Association and Small Business Exporters Association.

At the hearing, a panel of private witnesses discussed key policy issues affecting their ability to compete globally. Mr. Ogden provided comprehensive testimony on a variety of trade barriers faced by small firms, such as export controls, international standards, and non-tariff barriers. He also provided recommendations on how to improve the coordination of the state and federal trade promotion agencies. Ms. Fulton voiced her concerns over the confusion of where to start in the export process and complications navigating multiple agencies. She advocated for the federal export promotion programs to be more effective through better coordination, elimination of duplicative activities, and better allocation of resources. Mr. Myhre perorated the services and resources provided by the SBDC to assist domestic exporters, including market analysis and consultation. Mr. Arth outlined the top barriers for his manufacturing business, including identifying foreign buyers, limited access to information and resources regarding foreign regulations, and access to export capital. He also emphasized that state and federal agencies play an important role in helping small businesses export.

HEARING: “REGULATING THE REGULATORS—REDUCING BURDENS ON SMALL BUSINESS”

On March 14, 2013, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony to examine agency compliance with the Regulatory Flexibility Act (RFA).

The witness for the first panel was: the Hon. Winslow Sargeant, Ph.D., Chief Counsel for Advocacy, Office of the Chief Counsel for Advocacy, United States Small Business Administration, Washington, DC. The witnesses on the second panel were: Marc Freedman, Esq., Executive Director, United States Chamber of Commerce, Washington, DC; Mr. Carl Harris, Vice President and General Manager, Carl Harris Co., Inc., Wichita, KS, testifying on behalf of the National Association of Home Builders; and Rena Steinzor, Esq., Professor of Law, Francis King Carey School of Law, University of Maryland, Baltimore, MD.

At the hearing, Dr. Sargeant testified that agency compliance with the RFA continues to improve. However, he also noted that he has submitted 90 comment letters to federal agencies outlining small business concerns with regulatory proposals since being appointed Chief Counsel in August 2010.

Mr. Freedman testified that the Occupational Safety and Health Administration (OSHA) and other Department of Labor agencies give short shrift to the RFA’s analytical and procedural requirements. He noted that OSHA and other Department of Labor agencies do not always conduct affirmative outreach, as required under Section 609 of the RFA, before promulgating regulations and therefore do not fully understand the costs or impacts of their regulatory proposals on small business.

In his testimony, Mr. Harris, the co-founder of a small specialty construction company, testified that in his experience agencies too often treat the RFA and its Small Business Advocacy Review Panel process as merely a “check-the-box” exercise and artfully avoid compliance by other means. He provided examples of the failure of agencies to: adequately analyze economic impacts; engage with small businesses in a meaningful way; and comply with the Small Business Advocacy Review panel requirements.

Ms. Steinzor’s testimony contended that the Office of Advocacy mission should be to represent small businesses in proceedings before federal agencies. According to Professor Steinzor, that mission has been abdicated because the Office of Advocacy uses the definition of small business for various industrial classifications adopted by the Small Business Administration.

HEARING: “CONSISTENTLY INCONSISTENT: CHALLENGES FOR SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES”

On March 19, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business and the Subcommittee on Oversight and Investigations of the Committee on Veterans’ Affairs met in Room 2360 of the Rayburn House Office Building to receive testimony examining challenges facing service-disabled veteran-owned small businesses (SDVOSBs) seeking federal contracts

using both the Small Business Administration (SBA) and the Department of Veterans Affairs (VA) contracting programs. Specifically, the Subcommittees focused on the statutory, regulatory and interpretive difference in the two programs and how these differences affect veterans. Further, the hearing examined how effectively the programs operate and explored ways to improve the efficiencies of the programs.

The witnesses on the first panel were: Mr. Joseph Wynn, VET-Force Treasurer, Vietnam Veterans of America, Washington, DC; Mr. Davy Leghorn, Assistant Director, National Economic Division, The American Legion, Washington, DC; Mr. Marc Goldschmitt, PMP, CEO, Goldschmitt and Associates, LLC, Reston, VA; and Jonathan T. Williams, Esq., Partner, PilieroMazza, PLLC, Washington, DC. The witnesses on the second panel were: Mr. William Shear, Director, Financial Markets and Community Investment, United States Government Accountability Office (GAO), Washington, DC; Mr. A. John Shoraka, Associate Administrator, Office of Government Contracting and Business Development, United States Small Business Administration (SBA), Washington, DC; and Mr. Tom Leney, Executive Director, Veterans and Small Business Programs, Department of Veterans Affairs (DVA), Washington, DC.

The witnesses provided testimony on the various challenges facing SDVOSBs seeking to utilize federal contracting programs and how discrepancies among SBA and DVA's programs exacerbate those challenges. Mr. Wynn testified that 98 percent of DVA denials for SDVOSB status were due to challenges in understanding DVA's regulations related to ownership and control, rather than fraud or international misrepresentation. Mr. Leghorn stated that given SBA's expertise, increasing SBA's role in the appellate process would ensure more consistency between agency decisions and expedite the process. Mr. Goldschmitt highlighted that DVA's current verification program denies legitimate small firms an opportunity to compete by forcing SDVOSBs to adhere to extreme interpretations of a regulation. Mr. Williams testified that although well-intentioned the lack of consistency in the verification process at DVA and the differences between DVA and SBA's regulatory interpretations cause confusion and inefficiency for SDVOSBs. Mr. Shear indicated that, based on GAO's report, DVA would be unequipped to handle implementing a government-wide certification veteran plan. Mr. Shoraka noted although the regulations between SBA and DVA are similar, SBA conducted reviews on a case-by-case basis rather than adopting a bright line test. Mr. Leney testified that DVA was aware of the challenges within its verification process as it seeks to prevent fraud and ensure only legitimate SDVOSBs receive certification, but that DVA was working with SBA to resolve differences.

HEARING: "PROTECTING SMALL BUSINESSES AGAINST EMERGING AND COMPLEX CYBER-ATTACKS"

On March 21, 2013, the Subcommittee on Health and Technology of the Committee on Small Business met for a hearing titled, "Protecting Small Businesses Against Emerging and Complex Cyber-Attacks." The hearing examined the increased volume and complexity

of cyber-attacks as it affects emerging technologies utilized by small businesses, such as cloud computing and mobile technology.

Information technology is a key component for how small businesses operate and compete in the 21st Century. However, as new technologies are deployed, additional opportunities for cyber-criminals exist to attack firms and steal their valuable information. According to a recent study, nearly 20 percent of all cyber-attacks were directed to small businesses with less than 250 employees. The statistics also show that nearly 60 percent of small businesses will close within six months after a cyber-attack.

Witnesses on the only panel were: William H. Weber, Esq., Senior VP & General Counsel, Cbeyond, Atlanta, GA, testifying on behalf of Comptel; Justin Freeman, Esq., Corporate Counsel, Rackspace, San Antonio, TX, testifying on behalf of Application Developers Alliance; Mr. Dan Shapero, Founder, KlikCloud, Laguna Beach, CA, testifying on behalf of CompTia; and Phyllis Schneck, Ph.D., VP & Chief Technology Officer, Global Public Sector, McAfee, Inc., Reston, VA.

At the hearing, a panel of private sector witnesses discussed the best practices for small business in utilizing new technology for both increased productivity and better protection against security threats. They provided detailed analysis of the growing trends and complexity of cyber-attacks. Mr. Weber provided an overview of the benefits (both in lower cost and enhanced security) of small businesses in utilizing cloud computing. Mr. Freeman explained the growth in mobile applications and the role of developing and securing applications through the cloud. Mr. Shapero suggested best practices that small firms can utilize in adopting new technology, while also proffering policy recommendations concerning issues such as data breaches and workforce education. Finally, Dr. Schneck outlined the current cyber-threats faced by small businesses and offered some best practices available to the public and private sector to protect against such threats.

HEARING: "JOBS ACT IMPLEMENTATION UPDATE"

On April 11, 2013, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on the Securities and Exchange Commission's (SEC) efforts to implement the Jumpstart Our Business Startups Act of 2012 (JOBS Act). The JOBS Act is a bipartisan effort to reduce regulatory burdens associated with small businesses obtaining equity investment from the public.

The witness on the first panel was: Mr. Lona Nallengara, Acting Director, Division of Corporation Finance, SEC, Washington, DC. The witnesses on the second panel were: Ms. Jean Peters, Managing Director, Golden Seeds, Midlothian, VA, testifying on behalf of the Angel Capital Association; Mr. William Klehm, CEO, Fallbrook Technologies, San Diego, CA, testifying on behalf of CONNECT; Mr. Kevin Rustagi, CEO, Evolution of Noise and Co-founder, Ministry of Supply, Austin, TX, testifying on behalf of the Small Business Entrepreneurship Council; and James Angel, Ph.D., Professor of Finance, McDonough School of Business, Georgetown University, Washington, DC.

Mr. Nallengara provided the Subcommittee with an update on the SEC's progress to date on implementing the JOBS Act. He admitted that the SEC has missed the deadlines for rulemaking action required in the law and could not provide a date when the final rules would be issued.

The witnesses on the second panel provided testimony on how the JOBS Act, once implemented, will improve both access capital and investment opportunities in small business. Ms. Peters testified that the SEC's proposed rule on general solicitation and advertising has the potential to discourage angel investment in small firms because the SEC has not clarified what "reasonable steps" are to verify that investors are accredited. Mr. Klehm stated that the ability to access capital is the most significant challenge he faces and the JOBS Act provision increasing the amount of capital that can be raised under Regulation A to \$50 million from \$5 million will be very helpful once the SEC Acts to implement the law. Mr. Rustagi testified that equity-based crowdfunding has the potential to be very helpful to startup businesses who cannot raise funds from traditional sources and that the SEC should issue rules as quickly as possible. Finally, Professor Angel testified that the SEC has been slow to implement the JOBS Act and that the Commission has shown a pattern of antipathy towards the idea of crowdfunding and is in great danger of killing the idea through regulatory delay and overregulation.

HEARING: "INNOVATION AS A CATALYST FOR NEW JOBS"

On April 18, 2013, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on how to bolster America's competitiveness and propel economic growth through innovation and entrepreneurship. As the United States continues to struggle with high unemployment and a sluggish economy, this hearing examined how innovation leads to entrepreneurship, what conditions are necessary to grow communities that are innovation-friendly which in turn will create jobs, and what some of the most innovative localities are doing to attract high-tech companies, thereby allowing entrepreneurship to thrive in those communities.

The witnesses were: Mr. Jack Roach, Director, Southeastern Institute of Manufacturing and Technology, Florence, SC; Ms. Julie Lenzer Kirk, Co-Chair, Startup Maryland, Columbia, MD; Mr. Steve Johnson, President and CEO, CreatiVasc, Greenville, SC; and Mr. Michael D. McGeary, Co-Founder, Engine Advocacy, San Francisco, CA.

The witnesses provided testimony on the role that innovative small businesses play in creating jobs and how Washington can spur more entrepreneurship. Mr. Roach testified that historically innovation has created the majority of American jobs, but for that to continue entrepreneurs need access to emerging technologies, ability to connect with customers, access to capital, and a skilled workforce. Ms. Kirk underscored the importance utilizing local communities' strengths to spur innovation by connecting entrepreneurs to one another and preexisting resources. Mr. Johnson highlighted the importance of innovation as a means to competi-

tiveness in the global market and the need for capital to allow innovations to transition into the marketplace. Mr. McGeary testified on the importance of high-tech startups to economic growth and job creation because for each job created in the high-tech sector 4.3 jobs are created in other sectors.

HEARING: "HELP WANTED: THE SMALL BUSINESS STEM WORKFORCE
SHORTAGE AND IMMIGRATION REFORM"

On April 25, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "Help Wanted: The Small Business STEM Workforce Shortage and Immigration Reform." The purpose of the hearing was to examine how the science, technology, engineering and mathematics (STEM) workforce shortage is affecting the current and future economic health and viability of small businesses and to discuss whether changes to existing employment-based immigration laws for temporary and permanent legal resident aliens are necessary to help small businesses meet their STEM workforce needs.

The witnesses were: John Tyler, Esq., General Counsel and Secretary, Ewing Marion Kauffman Foundation, Kansas City, MO; Mr. Nagappa Ravindra, President, Ravi Engineering and Land Surveying, Rochester, NY, testifying on behalf of the American Council of Engineering Companies; Mr. Ryan Costella, Director of Strategic Initiatives, Click Bond, Inc., Carson City, NV; and Mr. Morgan Reed, Executive Director, Association for Competitive Technology, Washington, DC.

The witnesses testified that small firms face great difficulties in recruiting workers with appropriate educations and skills in STEM occupations. Mr. Reed perorated some of the STEM job openings in each member's district that have gone unfilled for many months. Mr. Tyler testified that American small businesses are not only in a global competition for market share, but for employee talent as well. Mr. Costella mentioned that his firm has great difficulty in finding employees with basic STEM skills necessary for entry level positions with this firm. Mr. Ravindra noted that it has become much more difficult and costly for potential immigrants with advanced STEM educations to seek permanent residency in the United States, despite employer demand for their skills.

All of the witnesses agreed with Chairman Hanna's assessment that STEM-based industries and occupations are critically important to the future competitiveness of the United States economy, and they also agreed that not enough is being done at the elementary, secondary, postsecondary and vocational education levels to prepare students and workers for occupations in these new and emerging industries. In addition, the witnesses stated their common belief that expanding guest worker and immigrant visas for highly skilled STEM workers is important to the competitiveness of small businesses.

HEARING: "HEALTH CARE LAW: IMPLEMENTATION AND SMALL
BUSINESSES"

On May 9, 2013, the Subcommittee on Health and Technology of the Committee on Small Business met in Room 2360 of the Ray-

burn House Office Building for a hearing on “The Health Care Law: Implementation and Small Businesses.” The purpose of the hearing was to receive testimony on the impact of the Patient Protection and Affordable Care Act on small businesses.

The witnesses were: Mr. William J. Dennis, Jr., Senior Research Fellow, National Federation of Independent Business (NFIB) Research Foundation, Washington, DC; Mr. Ryan P. Thorn, President, Ryan P. Thorn Insurance Planning, Inc., South Jordan, UT, representing the National Association of Health Underwriters; Paul N. Van de Water, Ph.D., Senior Fellow, Center for Budget and Policy Priorities, Washington, DC; and Mr. Dean Norton, President, New York Farm Bureau, Elba, NY.

Mr. Dennis said a recent NFIB Foundation study found the insurance fee is likely to be passed on to consumers of fully-funded health insurance—usually small business owners and their employees—in the form of increased premiums. He also cited the report’s findings that the fee will cost 146,000 to 262,000 private sector jobs by 2022, with 59% of the losses in the small business sector. This could amount to a reduction of U.S. real output of between \$19 billion and \$35 billion within the same period, he said.

Mr. Thorn, a small business owner himself, sells and services small business group health insurance policies. He noted that when health insurance premiums go up, people buy less insurance coverage or simply forgo it altogether. When the cost of coverage goes up, he said, it impacts hiring. He also said employers often change full-time employees to part-time status, since most part-time employees are not offered health insurance.

Mr. Norton, an agricultural economist whose family owns a dairy farm, discussed the burden that higher premiums will place on farmers. Because farmers operate on thin margins and are subject to volatile commodity prices, Mr. Norton said they are less able to absorb the cost of higher premiums. He predicted that if premiums continue to increase, more farmers will simply be unable to provide coverage for themselves and their employees.

HEARING: “IF YOU BUILD IT: THE KEYSTONE XL PIPELINE AND SMALL BUSINESS JOB GROWTH”

On May 16, 2013, the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on the potential economic benefits to small businesses and rural communities where construction of the Keystone XL pipeline will take place. The hearing titled, “If You Build It: The Keystone XL Pipeline and Small Business Job Growth,” served as an opportunity to examine how the project could reduce the United States’ reliance on higher-priced foreign oil and replace it with stable, secure supplies from both Canada and the United States; create high paying jobs; and inject billions of dollars into the United States economy.

The witnesses for the hearing were: Mr. Brent Booker, Secretary-Treasurer, Building and Construction Trades Department, AFL-CIO, Washington, DC; Mr. Peter Bowe, President and CEO, Ellicott Dredges, Baltimore, MD, testifying on behalf of the National Association of Manufacturers; Mr. Mat Brainerd, President,

Brainerd Chemical Company, Tulsa, OK, testifying on behalf of the National Association of Chemical Distributors; and Christopher R. Knittel, Ph.D., William Barton Rogers Professor of Energy Economics, Sloan School of Management, Massachusetts Institute of Technology, Cambridge, MA.

Mr. Booker began the hearing by stating that America's building trades unions support the construction of the Keystone pipeline which will move oil from deposits in Canada to existing refineries in Texas, Oklahoma and the Midwest and are adamant in their belief that the economic, energy security, and national security benefits associated with the construction of this pipeline are too many and too significant to allow it to be derailed by a narrow and misguided political agenda being advanced by a small minority of ill-advised environmental groups. Mr. Bowe continued by testifying that one way or the other, Canadians will eventually solve their distribution problems, with or without United States governmental collaboration. To the extent this process is delayed, he continued, the producers will suffer economic loss, and their suppliers, like his company, will suffer as well, including diminished employment. Mr. Brainerd stated that his industry would benefit from building the pipeline in three distinct ways. First, like many industries, chemical distribution benefits from economic growth generally. Second, building the pipeline would reduce costs for aromatic and aliphatic chemicals, diesel and rail tank cars. Third, it would benefit the economics of hydraulic fracturing, which is an important market that many in his industry serve. Dr. Knittel concluded the testimony by stating that when the economy is below full employment, as it is today, short-term increases in employment are likely to have long-standing effects. He continued that this is the argument for why economic stimulus should be used by governments in times of recession; when the economy is below full employment the long-term benefits of deficit spending outweigh the cost of financing this debt. Here, the country would get the benefits of this short-term stimulus without adding to the debt.

HEARING: "BUILDING AMERICA: CHALLENGES FOR SMALL
CONSTRUCTION CONTRACTORS"

On May 23, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony and examine potential legislation which addresses barriers to the maximum practicable utilization of small business construction and architect and engineering (A&E) contractors. The hearing specifically addressed the following areas that often limit small businesses from effectively competing on construction projects: (1) surety bond issues; (2) the use of reverse auctions for construction and construction services; (3) subcontracting credit allowance; and (4) failure to properly use a two-step procurement process for design build contracts.

The witnesses on the first panel were: Mr. Mark McCallum, CEO, National Association of Surety Bond Producers, Washington, DC; Thomas J. Kelleher Jr., Esq., Senior Partner, Smith, Currie & Hancock, Atlanta, GA, testifying on behalf of the Associated General Contractors of America; Ms. Helene Combs Dreiling, First Vice

President, American Institute of Architects, Roanoke, VA; and Ms. Felicia James, President, Primestar Construction, Dallas, TX, testifying on behalf of the United States Women's Chamber of Commerce. The witnesses on the second panel were: Mr. James C. Dalton, Chief of the Engineering and Construction Division, Directorate of Civil Works, United States Army Corps of Engineers (USACE), Washington, DC; and Ms. Jeanne Hulit, Associate Administrator for Capital Access, United States Small Business Administration (SBA), Washington, DC.

The first panel of witnesses provided examples of why the contracting areas, highlighted in the hearing, prohibit small businesses from competing on construction projects. Further, the first panel provided testimony on the benefits of proposed and draft legislation and how the various bills would significantly expand small businesses opportunity to participate in construction contracting. Mr. McCallum highlighted the benefits of raising the guarantee rate for the SBA's surety bond programs under H.R. 776, noting this would attract more corporate sureties. Mr. Kelleher discussed the impediments to small business subcontractors under current law and the necessity to allow prime contractors count lower tiers. Ms. Combs Dreiling testified that the substantial cost of submitting a design-build contract was "increasingly prohibitive for small firms." Ms. James discussed the various impediments her small construction firm had faced in bidding for federal contracts and agreed that H.R. 776 "adds transparency to the surety assets."

The second panel of witnesses highlighted the benefits of utilizing small firms in federal construction projects. Further, Mr. Dalton discussed a pilot program run by USACE which concluded that for construction projects reverse auction did not provide the government with substantial savings. Ms. Hulit discussed SBA's surety bond program and the benefits of raising the caps from \$2 million to \$6.5 million which occurred in the National Defense Authorization Act.

HEARING: "FINANCING AMERICA'S SMALL BUSINESSES: INNOVATIVE IDEAS FOR RAISING CAPITAL"

On June 6, 2013, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on innovation in small business finance. Small businesses are taking advantage of new and innovative methods that use technology to access lenders and investors. Lenders and investors are also taking advantage of technology to lower their costs in finding new investment opportunities. This hearing discussed several of these innovations.

The witnesses were: Ms. Danae Ringelmann, Co-founder, Indiegogo, San Francisco, CA; Mr. Benjamin Miller, Co-founder, Fundrise, Washington, DC; Mr. Alejandro Cramedes, Founder and CEO, Rock The Post, New York, NY; and Ms. Michelle Sullivan, Senior Director of Corporate Communications and External Affairs, Boston Beer Company, Boston, MA.

The witnesses provided testimony on the financing tools they offer and how they believe the JOBS Act will impact their business models. Ms. Ringelmann testified that the Internet has changed

how small businesses can access capital and that fraud protection is very important to websites like Indiegogo and that the private sector is in the best position to create fraud deterrents. Mr. Miller testified that his company has demonstrated that equity-based crowdfunding can be successful and that the current regulatory approval process for securities offerings is inefficient and does not protect investors. Mr. Cramedes testified that the JOBS Act will bring a lot more new investors and new capital to small businesses. Ms. Sullivan testified that financing programs that include an education component can be very effective at helping small businesses.

HEARING: "THE SEASONAL EMPLOYMENT NEEDS OF SMALL TOURISM BUSINESSES AND H-2B VISA POLICY"

On June 12, 2013, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on small business utilization of the H-2B visa program. The H-2B visa program allows employers who cannot find temporary or seasonal American workers to bring in foreign workers to fill low-skilled, non-agricultural jobs during their peak seasons. The hearing examined the effects of the recent one-month suspension of H-2B visa application processing and the recent regulatory change that may adversely affect the costs faced by small tourism businesses that hire workers with H-2B visas.

The witnesses were: Mr. Brad Dean, President and CEO, Myrtle Beach Area Chamber of Commerce, Myrtle Beach, SC; Ms. Sarah Diment, Owner, The Beachmere Inn, Ogunquit, ME, testifying on behalf of the American Hotel and Lodging Association; William Spriggs, Ph.D., Chief Economist, American Federation of Labor and Congress of Industrial Organizations, Washington, DC; and Ms. Jane Nichols Bishop, President, Peak Season Workforce, Mashpee, MA.

Mr. Dean discussed the difficulties that small tourism businesses in the Myrtle Beach area have in finding enough American workers to fill seasonal jobs and the importance of the H-2B visa program, which allows employers to supplement their American workforce with temporary foreign workers. Ms. Diment testified that the suspension of the H-2B visa program and uncertainty surrounding the approval of H-2B workers caused The Beachmere Inn to withdraw from the program which has led to a staffing shortage that is negatively affecting her American staff and the services the inn can provide to its customers. Dr. Spriggs discussed the importance of finding jobs for unemployed Americans and protecting wages of American workers. Ms. Bishop testified that her small business clients that have received supplemental prevailing wage determinations are facing sudden labor cost increases of ten to 34 percent and do not have the ability to change the rates they have set for the season.

HEARING: "PUTTING THE STRATEGY IN SOURCING: CHALLENGES AND OPPORTUNITIES FOR SMALL BUSINESS CONTRACTORS"

On June 13, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on the effects

of the Federal Strategic Sourcing Initiative (FSSI) on small businesses. The hearing specifically addressed the following areas: (1) the Administration's new strategic sourcing council and its efforts to make strategic sourcing mandatory; (2) the One Acquisition Solution for Integrated Services (OASIS) and OASIS Small Business (OASIS SB) contracts; and (3) FSSI commodity initiatives currently under consideration by the General Services Administration (GSA) and their effects on the health of GSA's other contracts.

The witnesses on the first panel were: Mr. Stan Z. Soloway, President & CEO, Professional Services Council, Arlington, VA; Robert A. Burton, Esq., Senior Partner, Venable LLP, Washington, DC; Roger Waldron, Esq., President, The Coalition for Government Procurement, Washington, DC; and Mr. Trey Hodgkins, Senior Vice President, Global Public Sector, TechAmerica, Washington, DC. The witnesses on the second panel were: the Hon. Joseph G. Jordan, Administrator, Office of Federal Procurement Policy, Washington, DC; and Mr. Jeff Koses, Director, Office of Acquisition Operations, Federal Acquisition Service, GSA, Washington, DC.

The first panel of witnesses provided examples of how strategic sourcing is used and its effects on small business; specifically noting the problematic effects of closing various schedules and making use of strategic sourcing vehicles mandatory. Mr. Soloway explained his organization supported the government's use of strategic sourcing, but expressed concerns relating to how the "term is used and understood and how its initiatives are implemented across the government." Mr. Burton discussed how GSA's proposed strategic sourcing initiatives would negatively affect small businesses and be counterproductive to the original goal of strategic sourcing. Mr. Waldron explained the importance of GSA's Multiple Award Schedule program noting that it provides small businesses with an economical and efficient entry point into the federal marketplace; and expressed concerns that mandatory use of strategic sourcing contracts would reduce small business opportunities. Mr. Hodgkins highlighted the detrimental effects that the OASIS contracts would have on small firms, as many services offered by small businesses may not lend themselves to strategic sourcing due to unique requirements by various governmental agencies.

The second panel of witnesses defended the current application of strategic sourcing while indicating that all efforts would be made to maximize small business participation. Mr. Jordan remained committed to making strategic sourcing mandatory. Mr. Koses noted that as GSA continued utilizing strategic sourcing they would ensure significant opportunities for a limited number of small businesses.

HEARING: "THE NEW DOMESTIC ENERGY PARADIGM: POTENTIAL BENEFITS FOR SMALL BUSINESSES AND THE ECONOMY"

On June 20, 2013, the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "The New Domestic Energy Paradigm: Potential Benefits for Small Businesses and the Economy." The purpose of the hearing was to examine the economic benefits of increased oil and natural gas production to the United States, with a special emphasis

on how these benefits, and associated jobs created, could accrue to small businesses.

The witnesses were: Mr. John W. Larson, Vice President, Economics and Country Risk, IHS Global Insight, Washington, DC; Mr. Simon Ormerod, CEO, Ajax Rolled Ring and Machine, York, SC, testifying on behalf of the Forging Industry Association; Mr. Chuck Grobe, Commissioner, Moffat County, Craig, CO; and Sean Meyn, Ph.D., Director, The Florida Institute for Sustainable Energy, University of Florida, Gainesville, FL.

Mr. Larson testified that most of the new oil and gas produced in the United States is derived from unconventional fields and that employment associated with economic activity from these fields could grow to more than three million jobs in 2020, up from 1.7 million jobs in 2012. He also testified that unconventional oil and natural gas production contributed \$62 billion in federal and state revenues in 2010 and that this figure could grow to \$111 billion by the year 2020. Mr. Ormerod called the increased natural gas production potential of the United States a “game changer” for energy-intensive manufacturers, like the forging industry. He stated that increased natural gas supplies have resulted in lower utility and feedstock costs at stable and consistent prices and that these outcomes provide his business and industry with a competitive edge versus foreign forging manufacturers. Mr. Grobe testified that oil and gas production are important sources of economic activity and revenues for many rural counties in western Colorado. He noted that 60 percent of the area of Moffat County includes federal lands managed by the United States Department of Interior’s Bureau of Land Management (BLM) and that a BLM decision to forgo leasing on these lands has reduced economic opportunities and revenues for businesses and the government in the county. Dr. Meyn testified that the United States should also develop renewable sources of energy in addition to oil and gas.

HEARING: “MOBILE MEDICAL APP ENTREPRENEURS: CHANGING THE FACE OF HEALTH CARE”

On June 27, 2013, the Subcommittee on Health and Technology of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, Washington, DC, for the purpose of receiving testimony on “Mobile Medical App Entrepreneurs: Changing the Face of Health Care.” The purpose of the hearing was to examine small businesses that developed medical applications for mobile devices and the regulatory uncertainty surrounding their adoption by physicians and consumers.

The witnesses were: Mr. Alan Portela, Chief Executive Officer, AirStrip, San Antonio, TX; Mr. Keith Brophy, Chief Executive Officer, Ideomed, Grand Rapids, MI; Christopher Burrow, M.D., Executive Vice President for Medical Affairs, Humetrix, Del Mar, CA, testifying on behalf of the Application Developers Alliance; and Ms. Sabrina Casucci, Doctoral Candidate, Industrial and Systems Engineering, University at Buffalo, Buffalo, NY.

Mr. Portela reviewed the landscape of mobile medical applications. He explained that over the past twenty years, information technology has truly undergone a transformation. Mr. Portela testified that mobile medical apps, such as those developed by AirStrip,

are becoming crucial to individuals who are increasingly interested in managing their own health.

Mr. Brophy testified that Ideomed invested significant capital in the development of an original prototype for a Bluetooth-connected tracking device integrated with an asthma inhaler. As the process advanced, it became clear that the time and cost of achieving Food and Drug Administration (FDA) approval was prohibitive for his small company and Ideomed now focuses on products that do not require FDA approval.

Dr. Burrow said interoperability presents particular challenges for Medicare patients, who tend to transition from one provider and health care setting to another. Mobile health records can help to close that information gap.

Ms. Casucci, who along with her colleagues at the University at Buffalo, developed an app to address the complex problem of hospital discharge. The app brings hospital personnel, caregivers and family members into post-acute care decisions. Ms. Casucci and her team won second prize in the GE Hospital Quest competition for their innovation. She told the Subcommittee members that mobile medical technology offers the promise of economic development and job creation for New York and our nation.

HEARING: "AMERICAN COMPETITIVENESS WORLDWIDE: IMPACTS ON
SMALL BUSINESSES AND ENTREPRENEURS"

On July 9, 2013, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on strengthening America's competitiveness by creating federal policies which foster business production and economic growth. The hearing also examined the actions undertaken by firms, on their own initiative to restore competitiveness and ensure heightened productivity.

The witnesses were: Michael Porter, Ph.D., Bishop Lawrence University Professor, Institute for Strategy and Competitiveness, Harvard Business School, Cambridge, MA; Mr. Smyth McKissick, CEO, Alice Manufacturing Company Inc., Easley, SC; Mr. James McConeghy, CFO, Chobani, Inc., Norwich, NY; and Cynthia McIntyre, Ph.D., Senior Vice President, Council on Competitiveness, Washington, DC.

The witnesses provided testimony on ways to promote economic growth and restore America's place within the global economy, specifically focusing on federal policies that promote firms' ability to be competitive. Prof. Porter discussed his February 2013 study on competitiveness which details eight federal policies that would revive the United States competitiveness compared to other nations. All witnesses agreed that Prof. Porter's eight federal policy recommendations would help bolster competitiveness, particularly lowering the corporate tax rate. Mr. Smyth testified on strategies his small textile manufacturing firm has utilized to remain competitive despite obstacles due to currency manipulation and how federal trade policies could bolster competitiveness. Mr. McConeghy highlighted the benefits of receiving a Small Business Administration guaranteed loan to start Chobani as well as how the company experienced substantial growth during the recession. Further, Mr.

McConeghy highlighted regulations in the dairy industry and barriers to entry in global markets that the United States could address to continue to foster productivity for Chobani. Dr. McIntyre testified on the benefits of advanced manufacturing, specifically the role of high performance computing, as a way to drive innovation and make the United States more competitive in a global marketplace.

HEARING: "THE PRESIDENT'S CLIMATE ACTION PLAN: WHAT IS THE IMPACT ON SMALL BUSINESSES?"

On July 18, 2013, the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on: "The President's Climate Action Plan: What Is the Impact on Small Businesses?" The purpose of the hearing was to examine the potential economic impacts to small businesses of the President's directive to the Environmental Protection Agency (EPA) to initiate and finalize rulemaking to limit greenhouse gas (GHG) emissions from new and then existing electric generation facilities (EGUs) under § 111 of the Clean Air Act (New Source Performance Standards). In addition, the Committee sought to examine the EPA's plans to comply with its obligations under the Regulatory Flexibility Act during this rulemaking.

The witnesses were: Mr. Michael Kezar, General Manager, San Miguel Electric Cooperative, Inc., Jourdanton, TX; Mr. James L. Brown, President, Bremen Castings, Inc., Bremen, IN; Bernard Weinstein, Ph.D., Associate Director, Maguire Energy Institute, Southern Methodist University, Dallas, TX; and Mr. Paul Gardner, Vice President of Business Development, Agilis Group, Inc., Palm Beach Gardens, FL.

Mr. Kezar testified that a previously proposed NSPS rule, which was never finalized, to limit GHG emissions from newly constructed EGUs would have made it impossible for small, coal-fired EGUs, like that operated by his cooperative, to meet the emissions limit standard. Mr. Brown testified that nearly 80 percent of electric utility power in Indiana is produced from coal-fired EGUs. He fears that GHG emission limits that coal-fired plants can't meet will lead to the premature retirement of these EGUs, thus leading to an increase in his firm's energy costs and a reduction in his firm's international competitiveness. Dr. Weinstein testified that public policy in the United States appears to presume that the United States is an energy resource poor nation, meaning energy resources are scarce, when the United States possesses substantial resources that can provide small businesses and consumers with affordable energy for many decades into the future. Mr. Kezar and Mr. Brown agreed with this assessment. Mr. Gardner testified that federal, state and local government efforts to promote the adoption of less GHG intensive fuels has served as a catalyst to increase research and development of more efficient means of producing and delivering energy. As a small businesses engineering firm that helps design gas turbine engines, this has increased demand for his firm's services.

HEARING: "EXAMINING THE SMALL BUSINESS INVESTMENT COMPANY PROGRAM"

On July 25, 2013, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of examining the Small Business Administration's (SBA) Small Business Investment Company (SBIC) program. As part of its oversight efforts, the Subcommittee reviewed the SBIC program to determine whether it is meeting the capital needs of small business owners and entrepreneurs while reducing risk to taxpayers.

The witnesses were: Ms. Pravina Raghavan, Acting Associate Administrator for Investment, United States Small Business Administration, Washington, DC; Mr. Steven Brown, President, Trinity Capital Investment, Chandler, AZ, testifying on behalf of the Small Business Investor Alliance; Mr. John Sherman, Founder, Director and former CEO, Inergy, LP, Kansas City, MO; Mr. Philip Alexander, CEO, BrandMuscle, Cleveland, OH, testifying on behalf of the U.S. Chamber of Commerce; David Robinson, Ph.D., Professor, Fuqua School of Business, Duke University, Durham, NC.

The witnesses provided testimony about the SBIC Program that ranged from how it is administered by the Small Business Administration to the real-life benefits it has brought to growing small businesses. Associate Administrator Raghavan testified on the program's ability to provide capital to small businesses and discussed agency processes surrounding the program, specifically, how the agency administers the investment fund licensing process, and ways the agency plans to manage risk given the program's growth. Mr. Brown testified that his recently licensed SBIC fund, Trinity Capital Fund II, has \$70 million of combined private capital and SBA leverage with which to invest in small businesses, and offered ways the SBA could improve the SBIC Program, particularly by using financial reporting technology platforms and making the licensing process more "efficient" without lowering the current high standard to become licensed. Mr. Sherman testified that although the company he founded, Inergy, LP, now employs 3,000 people and has raised billions of dollars in the public markets since growing from a fledgling business, an investment from a group of SBICs in early 2001 remains the most critical investment it ever received. Mr. Alexander testified that the "SBIC Program was unique in its ability" to provide capital to the company he started at a point where its growth had become stagnant and debt financing from traditional channels wasn't available. Dr. Robinson testified that young businesses are responsible for the vast majority of job creation in the United States, and because of this, the Early Stage SBIC Program is "laudable," but must be designed in a way to provide early-stage investors with sufficient capital to make follow-on investments.

HEARING: "JOB CREATION IN HIGHER EDUCATION COMMUNITIES: HOW UNIVERSITY RESEARCH AND DEVELOPMENT SPURS SMALL BUSINESS GROWTH"

On August 5, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Binghamton, New

York for the purpose of conducting a hearing titled “Job Creation in Higher Education Communities: How University Research and Development Spurs Small Business Growth.” The hearing examined the symbiotic relationship between Binghamton University (BU) and the surrounding community, with a particular focus on how BU’s research has led to small business creation and economic growth in the Southern Tier of New York.

The witnesses for the hearing were: Bahgat Sammakia, Ph.D., Vice President of Research, Binghamton University, Vestal, NY; Mr. Chuck Schwerin, CEO, Sonostics, Inc., Binghamton, NY; and Mr. Rick Pray, President, RPA Electronics, Binghamton, NY.

Dr. Sammakia began the testimony by stating that as a country, we must reinvest in research and development. He continued to say that we also need to strengthen our commitment to education in the Science, Technology, Engineering, and Mathematics (STEM) disciplines. He believes it is the only way to prepare the next generation of Americans and American companies for what we know will be a global race for prosperity and security. Mr. Schwerin continued the testimony by stating that firms like his do not possess all the skills necessary to navigate the ever-changing regulatory shoals and that continuing education support for legal and accounting professionals specifically in the area of innovation incentives, would help small companies like his grow and improve the chances for success. Mr. Pray concluded the testimony by stating that jobs in the training and simulation marketplace are exactly those targeted by education programs such as STEM initiatives which lead to excellent wages and benefits. He also mentioned that being able to compete with companies in other areas (with other university partners) for Small Business Technology Transfer (STTR) grants in the field of training and simulation would directly benefit the local economy and provide a measurable impact.

HEARING: “PRIVATE SECTOR INITIATIVES TO EDUCATE SMALL
BUSINESS OWNERS AND ENTREPRENEURS”

On September 19, 2013, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of shedding light on private sector efforts to educate small business owners and entrepreneurs. The Subcommittee examined private sector training and mentorship programs by highlighting the stories of specific private sector initiatives and their effects on small businesses.

The witnesses were: Ms. Dina Powell, Managing Director, Goldman Sachs, New York, NY; Stephen Morgan, Ed.D., Chairman, Board of Trustees, My Own Business, Inc., City of Industry, CA; Mr. Damien Stevens, Founder and CEO, Servosity, Greenville, SC; Kim Pate, Esq., Chief External Relations Officer, Corporation for Enterprise Development, Washington, DC.

The witnesses provided testimony about their efforts to educate and train current and future small business owners, as well as how learning from such efforts has helped one company recently grow from one to twelve employees. Ms. Powell testified on the Goldman Sachs 10,000 Small Businesses Initiative, specifically how it simultaneously provides its small business participants with three re-

sources: an educational curriculum, access to capital, and business advising. She also announced that Goldman Sachs has just launched a national expansion of the initiative, and it is now open to any small business owner in the nation that wishes to apply. Dr. Morgan testified that My Own Business, Inc., a non-profit organization, has provided free online training courses to nearly 35 million current and aspiring entrepreneurs over the last 20 years, including through partnerships with the World Bank and Cisco, and was previously linked to from the Small Business Administration's website. Mr. Stevens testified on how his move in 2009 as a one-man company, Servosity, into the NEXT Innovation Center, a collaborative workspace in Greenville, South Carolina, allowed him the opportunity to learn from other CEOs and secure growth financing, which has led to the addition of 12 employees with plans to add 30 more in the next 18 months. Ms. Pate testified on the importance of micro-businesses, those with four or fewer employees, to the economy and discussed ways the Corporation for Enterprise Development supports these entities, with one example being the Self-Employment Tax Initiative, which provides free tax support to low-income entrepreneurs.

HEARING: "SMALL BUSINESS ACCESS TO CAPITAL IN SCOTTSDALE
ARIZONA"

On September 23, 2013, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met at the Skysong Innovation Center, Arizona State University, Scottsdale, AZ for a field hearing on the local environment for small businesses seeking to raise capital and the regulatory impediments to investors providing funds to entrepreneurs, especially those in high-growth fields. The hearing also examined the implementation of the Jumpstart Our Business Startups Act of 2012 (JOBS Act).

The witnesses were: Mr. James Goulka, Managing Director, Arizona Technology Investors Forum, Mesa, AZ; Mr. Nima Jacob Nojourni, Founder and CEO, itsWorth, LLC, Tempe, AZ; and Mr. Thomas H. Curzon, Senior Partner, Osborn Maledon, Phoenix, AZ.

The witnesses provided testimony on local financing resources for entrepreneurs and the potential effects of the JOBS Act. Mr. Goulka testified that the Securities and Exchange Commission's proposed rule on general solicitation and advertising creates serious impediments for angel investors to invest in new issues (of securities) by private companies, and if not amended, will limit investment in deals that are privately generally solicited. Mr. Nojourni testified that Arizona has an emerging startup community and that states need to do a better job of creating a sustainable ecosystem that includes a variety of funding sources. Mr. Curzon testified that investor conferences like Invest Southwest can help Arizona better address current market conditions and continue the growth of the ecosystem.

HEARING: "THE EFFECTS OF THE HEALTH LAW'S DEFINITION OF FULL-TIME EMPLOYEE ON SMALL BUSINESSES"

On October 9, 2013, the Subcommittee on Health and Technology of the Committee on Small Business met in Room 2360 of the Ray-

burn House Office Building for the purpose of receiving testimony on “The Effects of the Health Law’s Definition of Full-Time Employee on Small Businesses.” The purpose of the hearing was to examine the potential economic and employment effects of the health law’s definition of full-time employee as one who works an average of 30 hours per week.

The witnesses were: Mr. Raymond J. Keating, Chief Economist, Small Business and Entrepreneurship Council, Vienna, VA; Mr. Steve Hermann, Vice President, Paul’s Supermarket, Inc., Eldon, MO, testifying on behalf of the National Grocers Association; Mr. Stephen Bienko, President & Owner, 42 Holdings, LLC, Fairfield, NJ, testifying on behalf of the International Franchise Association; and Dean Baker, Ph.D., Co-Director, Center for Economic and Policy Research, Washington, DC.

Mr. Keating testified that the health law’s definition of full-time employee is an incentive for firms to reduce the hours of employees to less than 30 hours a week so as to avoid the strictures of the employer mandate. He further stated that recent surveys of small business owners and executives report that firms have reduced hiring or have reduced employee hours to less than 30 hours a week in response to the employer mandate. Mr. Hermann testified that most part-time employees at his stores work more than 30 hours per week, but less than 40 hours per week. He said it is not economical for his firm to provide health insurance to employees working less than an average of 40 hours per week and that he fears that his firm may need to reduce the hours of part-time employees below 30 hours per week. Mr. Bienko testified that consumer demand for his services is variable and so are the hours his part-time employees may work in a week. Mr. Hermann and Mr. Bienko both testified that many of their part-time employees prefer receiving their compensation in wages versus non-wage benefits. Dr. Baker testified that his organization’s analysis of recent employment data does not indicate that the employer mandate has had a measurable impact on business hiring decisions and that data indicate that employers have not reduced employee hours to avoid the employer mandate.

HEARING: “BUNGLING BUNDLING: HOW CONTRACT BUNDLING AND CONSOLIDATION REMAIN CHALLENGES TO SMALL BUSINESS SUCCESS”

On October 10, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony regarding the ongoing problems that unjustified contract bundling and consolidation pose for small businesses. Specifically, the hearing focused on the absence of sound data regarding bundling and consolidation; the lack of agency-level accountability for complying with current statutes; and problems with the current statutory constructs for bundling and consolidation.

The witnesses were: Mr. Gloria Larkin, President, TargetGov, Baltimore, MD, testifying on behalf of Women Impacting Public Policy; Robert A. Burton, Esq., Senior Partner, Venable LLP, Washington, DC; Ms. Juanita Beauford, President, Association of Procurement Technical Assistance Centers, Newark, DE; and Ms. Margot Dorfman, CEO, U.S. Women’s Chamber of Commerce,

Washington, DC. They provided examples of how contract bundling and consolidation are underreported in the Federal Procurement Data System, while agencies continue to bundle and consolidate requirements without consequence. Ms. Larkin emphasized that “these enormous bundled contracts inherently limit small business from competing.” Ms. Beauford stated that counselors at Procurement Technical Assistance Centers are reporting that, “there is confusion both about what constitutes bundling and that there are requirements to make solicitations accessible to small businesses. Enforcement of such requirements is simply not happening.” Mr. Burton drew attention to the, “lack of recourse for small businesses that have been negatively impacted by agency noncompliance with the applicable regulations.” Ms. Dorfman concluded that, despite Congressional efforts, “[t]he issues of bundling, consolidation, and the ever-popular euphemism strategic sourcing are alive and well in the Federal marketplace.”

HEARING: “SELF-INSURANCE AND HEALTH BENEFITS: AN AFFORDABLE OPTION FOR SMALL BUSINESSES?”

On November 14, 2013, the Subcommittee on Health and Technology of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony from industry leaders and small business owners regarding the trend of small businesses choosing to self-insure their employees’ health care coverage rather than purchase health insurance from insurers. The hearing titled “Self-Insurance and Health Benefits: An Affordable Option for Small Businesses?” also examined whether changes to the health care marketplace, including the implementation of the new health care law, are influencing these decisions.

The witnesses for the hearing were: Mr. Michael Ferguson, President and CEO, Self-Insurance Institute of America, Simpsonville, SC; Ms. Robin Frick, Combined Benefits Administrators, Inc., Madisonville, LA, testifying on behalf of the National Health Underwriters Association (NAHU); Mr. Thomas Faria, President and CEO, Sheffield Pharmaceuticals, New London, CT; and, Linda Blumberg, Ph.D., Senior Fellow, The Urban Institute Health Policy Center, Washington, DC.

Mr. Ferguson began the testimony by stating he believes that the health care law has created added uncertainty in the health care marketplace and contributes to more acute cost fluctuations, at least in the short run. He added that in this current environment, self-insurance does provide smaller organizations more certainty in their ability to be able to continue to provide quality health benefits along with providing them better cost containment capabilities. Ms. Frick testified that the NAHU membership reports, almost universally, that the looming health care law and related market changes are causing significant anxiety within the employer community. She stated that small employers are looking at all possible ways to gain greater control over their employee benefit options and that this need for control has sparked a greater interest in the possibility of self-funding among the small and mid-sized employer community. Mr. Faria stated that while switching to self-insurance provided a new set of challenges to his business, the decision to

self-insure his company has been a good one. He added, that based on estimates of the yearly average increases that fully-insured health care plans charged in Connecticut for plans of his size, he believes that self-insuring saved the company over \$400,000 over the span of four years. Dr. Blumberg closed the testimony by stating that certain aspects of self-insured plans ought to be more heavily regulated in order to protect the smaller firms that utilize self-insurance plans.

HEARING: "WRONG WAY: THE IMPACT OF FMCSA'S HOURS OF SERVICE REGULATION ON SMALL BUSINESSES"

On November 21, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "WRONG WAY: The Impact of FMCSA's Hours of Service Regulation on Small Businesses." The purpose of the hearing was to examine the economic and operational effects of the United States Federal Motor Carrier Safety Administration's (FMCSA) Hours of Service (HOS) regulation that took effect on July 1, 2013.

The witness on the first panel was: the Hon. Anne S. Ferro, Administrator, FMCSA, United States Department of Transportation, Washington, DC. The witnesses on the second panel were: Mr. Duane Long, Chairman, Longistics, Raleigh, NC, testifying on behalf of the American Trucking Association; Mr. Tilden Curl, Owner-Operator, Tecco Trucking, Inc., Olympia, WA, testifying on behalf of the Owner-Operator Independent Drivers Association; Mr. Brian Evans, President-Owner, L&L Freight Services, Inc., Cabot, AR, testifying on behalf of the Transportation Intermediaries Associations; and Paul P. Jovanis, Ph.D., Professor of Civil and Environmental Engineering and Director, Transportation Operations Program, Larson Transportation Institute, Pennsylvania State University, University Park, PA.

Ms. Ferro testified that the purpose of the recently enacted HOS regulations is to reduce the incidence of highway accidents resulting from fatigued driving by commercial motor vehicle (CMV) operators. Mr. Evans testified that the new HOS regulations are causing negative impacts to small business commercial supply chains across a variety of industries. Mr. Tilden testified that, contrary to the intent of the regulation, the new HOS rule often prevents him from receiving sufficient rest and may compel him to drive when he is tired. Mr. Long said that drivers at his business report similar outcomes. All of the small business witnesses reported the new regulation reduced their income or had some other negative outcomes on their operations.

Chairman Hanna asked the second panel witnesses what modifications they would like made to the HOS regulations. Mr. Curl, Mr. Long, and Mr. Evans supported reverting back to the HOS regulation that was in effect prior to July 1, 2013. Mr. Curl further suggested that modifying the regulation's break provision to permit CMV to take multiple breaks throughout the day. Dr. Jovanis stated that in his opinion permitting operators to choose between taking multiple breaks or a single, longer break is a better strategy in preventing CMV operator fatigue.

HEARING: "REGULATORY LANDSCAPE: BURDENS ON SMALL FINANCIAL INSTITUTIONS"

On December 3, 2013, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on the impact of regulations on small banks and credit unions. The reforms enacted after the 2008 financial crisis impose potentially significant impacts on small financial institutions.

The witnesses were: Hester Peirce, Esq., Senior Research Fellow, Mercatus Center, George Mason University, Arlington, VA; Ms. Linda Sweet, President and CEO, Big Valley Federal Credit Union, Sacramento, CA, testifying on behalf of the National Association of Federal Credit Unions; Mr. B. Doyle Mitchell, Jr., President and CEO, Industrial Bank, Washington, DC, testifying on behalf of the Independent Community Bankers of America; and Adam J. Levitin, Esq., Professor of Law, Georgetown University Law Center, Washington, DC.

The witnesses provided testimony on how federal regulations stemming from the Dodd-Frank Act are affecting their business. Specifically, witnesses testified about how regulations related to the mortgage lending industry emanating from the Consumer Financial Protection Bureau (CFPB) are creating new compliance costs. Ms. Peirce testified that a regulatory environment that is increasingly unwelcome to small financial institutions may curtail customer choice. Ms. Sweet testified that there is an overwhelming tidal wave of new regulations and that many non-compliance staff are being forced to take time away from serving members to spend time on compliance issues. Further, that the breadth and pace of CFPB rulemaking is troublesome. Mr. Mitchell testified that new rules are affecting his ability to serve low-income and minority borrowers and that rules related to mortgages may cause community banks to exit the mortgage lending business. Mr. Levitin testified that CFPB impact on small banks is limited and the agency has shown a particular solicitude towards the concerns of small institutions.

HEARING: "WHERE ARE WE NOW? EXAMINING THE POST-RECESSION SMALL BUSINESS LENDING ENVIRONMENT"

On December 5, 2013, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building in order to receive testimony from industry leaders and experts regarding current levels of lending to small businesses and the various factors and economic trends affecting them.

The witnesses were: Ms. Ann Marie Wiersch, Policy Analyst, Federal Reserve Bank of Cleveland, Cleveland, OH; Mr. Jeff Stibel, Chairman and CEO, Dun and Bradstreet Credibility Corp., Malibu, CA; Mr. Renaud Laplanche, CEO, Lending Club, San Francisco, CA; Mr. Fred Green, III, President and CEO, South Carolina Bankers Association, Columbia, SC; Mr. John Farmakides, President and CEO, Lafayette Federal Credit Union, Kensington, MD, testifying on behalf of the National Association of Federal Credit Unions.

The witnesses provided testimony about levels of lending to small businesses since the recession, including the various economic factors and trends affecting these levels. Ms. Wiersch testified that the value of commercial and industrial loans of \$1 million or less are currently just below 80 percent of their pre-recession values, and cited a confluence of factors responsible for this drop in lending, specifically, lower demand from small business borrowers, increased regulatory scrutiny on banks, and a consolidation in the banking industry. Mr. Stibel testified that the conflicting definitions of “small business” limit the ability of various institutions, including Dun & Bradstreet, to capture accurately the small business lending environment. Mr. Laplanche testified that while high underwriting costs make smaller loan sizes less attractive to lenders, causing small businesses to face difficulty accessing capital, alternative lenders are on the rise, recording a 64 percent increase in loan originations in the past four years. Mr. Green testified that demand from small business borrowers has declined and increased regulatory scrutiny for banks brought on by the Dodd-Frank legislation hampered their ability to provide the same type and number of loans before the 2008 financial crisis. Mr. Farmakides testified on the role credit unions play in the small business lending environment, and impediments currently facing credit unions.

HEARING: “CONTRACTING AWAY ACCOUNTABILITY-REVERSE AUCTIONS
IN FEDERAL AGENCY ACQUISITIONS”

On December 11, 2013, the Subcommittee on Contracting and Workforce of the Committee on Small Business and the Subcommittee on Oversight and Investigations of the Committee on Veterans’ Affairs met in Room 334 of the Cannon House Office Building to receive testimony regarding problems with the use of reverse auctions by the Department of Veterans Affairs (VA) and other federal agencies. Specifically, the hearing focused on whether reverse auctions provided adequate competition and adhered to the requirements of the Small Business Act, while also assessing the purported cost savings associated with this procurement methodology.

The witnesses on the first panel were: Mr. Nigel Cary, President, Cox Construction Co., San Diego, CA, testifying on behalf of the Associated General Contractors of America; and Mr. Louis J. Celli, Jr. Director, Legislative Division, The American Legion, Washington, DC. The witnesses on the second panel were: Ms. Michelle Mackin, Director, Acquisition and Sourcing Management, United States Government Accountability Office, Washington, DC; Mr. William Sisk, Deputy Commissioner, Federal Acquisition Service, General Services Administration, Washington, DC; and Major L. Clark, III, Esq., Assistant Chief Counsel for Procurement, Office of Advocacy, United States Small Business Administration, Washington, DC. The third panel witness was: Mr. Jan Frye, Deputy Assistant Secretary, Office of Acquisitions and Logistics, Department of Veterans Affairs, Washington, DC; supported by Philip Matkovsky, Assistant Deputy Under Secretary for Health for Administrative Operations, Washington, DC.

Mr. Cary testified that using reverse auctions limits competition because his “company and many other construction companies—both small and non-small businesses—do not participate in reverse auction procurements.” Mr. Celli stated that the American Legion has worked with numerous small businesses that “fail to realize the true expense required to deliver on a bid and have sold at such slim margins that they weren’t able to sustain a viable business model.” Ms. Mackin recommended “that the [Federal Acquisition Regulation] be amended to address reverse auctions.” Mr. Sisk highlighted that the General Services Administration now provides a free alternative to commercial reverse auction providers. Mr. Clark stated that the Office of Advocacy is “advocating for clear reverse auction guidance from the Office of Federal Procurement Policy.” Mr. Frye stated that VA “continues to monitor the efficacy of reverse auctions and adjust our policies and processes to be in line with the results of our reviews and business outcomes.”

HEARING: “SEC’S CROWDFUNDING PROPOSAL: WILL IT WORK FOR SMALL BUSINESSES?”

On January 16, 2014, the Subcommittee on Investigations, Oversight and Regulations of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of examining the SEC’s recently proposed rules that would implement the crowdfunding exemption of the JOBS Act. The proposed rules would implement investment limitations and a number of new compliance, disclosure, and reporting requirements for both small businesses and the broker-dealers and web portals which will act as investment intermediaries. Some of the requirements are mandated by statute; some were created with SEC discretion beyond the scope of the statute.

The witnesses were: Mr. Jason Best, Principal, Crowdfund Capital Advisors, San Francisco, CA; Daniel Gorfine, Esq., Director, Financial Markets Policy, Milken Institute, Washington, DC; Mercer Bullard, Esq., Associate Professor of Law, University of Mississippi School of Law, University, MS; Mr. DJ Paul, Co-Chair, Crowdfund Intermediary Regulatory Advocates, New York, NY.

The witnesses provided testimony about how they see the proposed rules’ usability for both small businesses and intermediaries. Mr. Best testified about the requirement for businesses seeking over \$500,000 to submit audited financial statements, and how it will essentially amount to a \$500,000 soft cap for crowdfunding, having a chilling effect on its usability. Mr. Gorfine testified on the JOBS Act from a broader perspective, particularly, how the different capital pipelines the law created are intended to work together. Prof. Bullard testified about his concerns with the proposed rules, particularly, a provision that in his opinion could allow larger businesses to use crowdfunding and put smaller businesses at a disadvantage. Mr. Paul testified on the concerns surrounding liability placed on intermediaries, in which the SEC is proposing to hold intermediaries liable for misrepresentations on their platforms while at the same time limiting their discretion in listing or promoting certain items over another.

HEARING: "GETTING RURAL AMERICA BACK TO WORK: SOLUTIONS TO LOWER UNEMPLOYMENT"

On January 24, 2014, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Dillon, SC, for the purpose conducting a hearing titled "Getting Rural America Back to Work: Solutions to Lower Unemployment." The hearing received testimony from state and local government officials as well as local small business advocates on ways the federal government can boost economic growth and help create jobs in rural communities across the nation.

The witnesses for the hearing were: Mr. Richard Kaglic, Regional Economist, Federal Reserve Bank of Richmond, Charlotte, NC; Mr. Chuck Bundy, Deputy Director, Small Business and Existing Industry, South Carolina Department of Commerce, Columbia, SC; Mr. Joe Jacobs, Senior Vice President of Operations, South Carolina Manufacturing Extension Partnership, Columbia, SC; Mr. Ben Chastain, Director, Duke Energy Center for Innovation, Hartsville, SC; and, Mr. Jeff McKay, Executive Director, North Eastern Strategic Alliance, Florence, SC.

Mr. Kaglic discussed the latest economic trends both nationally and locally. He stated that while the nation's unemployment rate is currently at its lowest point since October 2008, it is still more than 2 percent higher than it was prior to the onset of the recession. Mr. Bundy testified that the regulatory burden on all small businesses is significant and that all federal agencies should examine their regulations for adverse impact on small business. He continued that the frequent unintended consequences of regulations can affect rural small business in particular. Mr. Jacobs testified that the South Carolina Manufacturing Extension Partnership worked with hundreds of small manufacturers in South Carolina and helped create or retain 1,792 jobs in 2012. Mr. Chastain testified that through the Duke Center for Innovation, he has helped five entrepreneurs take their hi-tech concepts toward commercialization and hopes to work with several more in the coming months. Mr. McKay attested that access to capital, especially for small-rural businesses must be made available. He also stated that regulations, both new and revised, hinder the loan process for many small banks, leaving only the larger banks as a source for capital.

HEARING: "SMALL BUSINESS TRADE AGENDA: STATUS AND IMPACT OF INTERNATIONAL AGREEMENTS"

On January 28, 2014, the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business held a hearing titled, "Small Business Trade Agenda: Status and Impact of International Agreements." The Committee received testimony regarding international trade negotiations conducted by the Office of the United States Trade Representative (USTR) and their effect on small firms. Specifically, the Subcommittee examined the status and impact of various trade issues, including Trade Promotion Authority (TPA), the Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP), and ongoing negotiations at the World Trade Organization (WTO).

The only witness was Mr. Jim Sanford, Assistant United States Trade Representative (AUSTR) for Small Business, Market Access and Industrial Competitiveness, Office of the United States Trade Representative, Washington, DC.

At the hearing, AUSTR Sanford testified on the Administration's efforts to help small businesses increase their exports. He explained the status of Trans-Pacific Partnership negotiations and outlined the potential benefits for small firms. He also highlighted the opportunity to increase trade with the European Union, through the Transatlantic Trade and Investment Partnership Initiative (TTIP), which already supports \$1 trillion in annual two-way trade. In addition, Mr. Sanford outlined various multilateral trade negotiations through the World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC) as ways to reduce regulatory barriers. In conclusion, the AUSTR stated USTR is committed to working more effectively to communicate trade policy initiatives with small firms in the United States.

HEARING: "DUPLICATION, OVERLAP AND FRAGMENTATION IN FEDERAL FINANCIAL ASSISTANCE PROGRAMS"

On February 6, 2014 at 10:00 a.m., the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on overlap, fragmentation and duplication in the government guaranteed lending programs at the United States Small Business Administration (SBA) and the United States Department of Agriculture (USDA). The hearing, titled "Duplication, Overlap and Fragmentation in Federal Financial Assistance programs" sought to examine SBA's and USDA's progress implementing recommendations offered by the Government Accountability Office.

The witnesses were: Mr. William Shear, Director, Financial Markets and Community Investment, United States Government Accountability Office, Washington, DC; Ms. Ann Marie Mehlum, Associate Administrator, Office of Capital Access, United States Small Business Administration, Washington, DC; and Ms. Lillian Salerno, Administrator, Rural Business-Cooperative Service, United States Department of Agriculture, Washington, DC.

Mr. Shear testified that there is significant overlap in federal efforts to assist entrepreneurs, including 30 programs designed to help entrepreneurs access financial assistance. This overlap can lead to confusion among businesses seeking to access the programs and is an inefficient use of scarce government resources. Further, agencies have not fully implemented either recommendations or best practices aimed at increasing collaboration between the agencies. Ms. Mehlum testified that SBA financial assistance programs help small business access capital and SBA continues to work with other federal agencies, including USDA on collaboration. Ms. Salerno testified that USDA's extensive network of field offices puts it in the best position to serve the needs of rural communities and that USDA and SBA have signed multiple Memorandums of Understanding aimed at eliminating duplication, overlap, duplication, and fragmentation between the two agencies.

HEARING: "OBAMACARE AND THE SELF-EMPLOYED: WHAT ABOUT US?"

On March 6, 2014, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose conducting a hearing titled "Obamacare and the Self-Employed: What About Us?" The Committee received testimony from self-employed individuals and health care policy experts to examine the effect of the President's health care law on the self-employed and explore the experiences of such individuals in finding and maintaining health care coverage compliant with the law.

The witnesses for the hearing were: Mr. Todd McCracken, President, National Small Business Association, Washington, DC; Mr. Alan Schulman, President, Insurance Benefits and Advisors, LLC, Rockville, MD, testifying on behalf of the Council for Affordable Health Coverage and the National Health Underwriters Association; Mr. Charlie Arnold, President and Owner, Arnold Powerwash, Lewes, DE, testifying on behalf of the National Association for the Self-Employed; and Dean Baker, Ph.D., Co-Director, Center for Economic Policy Research, Washington, DC.

Mr. McCracken began the testimony by stating that small firms have been facing double-digit increases in the cost of their health care over the past two decades and that the President's health care law has done little to stem these increases, and could actually make it worse for many small firms. Mr. Schulman testified that while President Obama famously campaigned on "if you like your health plan you can keep it," millions of Americans with individual coverage found out that wasn't exactly true. He later stated that in the past twenty-four months, he has not been able to deliver a single health insurance renewal at a lower cost, a fact he attributes to rising costs directly associated with the health care law. Mr. Arnold, a self-employed small business owner, stated that he has found himself in continually confused concerning the status of his current health care coverage. He stated further that compliance has not been made any easier by the continued unilateral action taken by the Administration to delay or interpret the law without public input as that leads to further confusion and mistrust in the system. Dr. Baker testified that there is research showing that the fear of losing health insurance coverage discourages workers from leaving a job that provides insurance to start their own business. He stated that allowing workers to get affordable insurance through the individual market established by the health care law will increase the rate of small business formation.

HEARING: "UNDERSERVED SMALL BUSINESSES: PROVIDING ACCESS TO FEDERAL PROGRAMS"

On March 11, 2014, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 230 of the Rosenthal Library at Queens College, 65-30 Kissena Blvd., Queens, NY, to examine factors that exist within underserved communities which limit access to Small Business Administration (SBA) programs.

The witnesses were: Mr. Bill Imada, Chairman and CEO, IW Group, West Hollywood, CA, testifying on behalf of Asian/Pacific Is-

lander American Chamber of Commerce & Entrepreneurship (ACE); Joyce Moy, Esq., Executive Director, Asian American/Asian Research Institute, City University of New York, Queens, NY; Mr. Williams Wilkins, Director of Development, Local Development Corporation for East New York, Brooklyn, NY; and Ms. Michele Chang, Acting Chief of Staff, SBA, Washington, DC.

The witnesses testified on the needs of underserved small businesses and assessed whether these needs were being met in areas such as contracting, financing, training, and international trade. Mr. Imada discussed the benefits minority-owned small firms bring to local communities and the need to reduce language barriers to those seeking SBA's assistance. Ms. Moy noted that small business development centers can provide excellent counseling to underserved firms, but need more resources to provide culturally and linguistically appropriate services. Mr. Wilkins discussed problems with accessing SBA grant funding to support entrepreneurs and opined more funding needed to be provided to the centers directly working with small firms in underserved areas. Ms. Chang highlighted SBA's partnership with organizations representing underserved small businesses and noted their continued commitment to allowing these firms to access SBA programs.

HEARING: "MADE IN THE U.S.A.: SMALL BUSINESSES AND A NEW
DOMESTIC MANUFACTURING RENAISSANCE"

On March 13, 2014 at 10:00 a.m., the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "Made in the U.S.A.: Small Businesses and a New Domestic Manufacturing Renaissance." The purpose of the hearing was to examine the return of manufacturing production activity to the United States that had largely been taking place overseas and what the potential implications this trend has for small businesses.

The witnesses were: Ms. Shirley Mills, Director, The Boston Company, Boston, MA; Mr. Robert Hitt, III, Secretary, South Carolina Department of Commerce, Columbia, SC; Mr. Kevin Harberts, President/CEO, Kryton Engineered Metals, Inc., Cedar Falls, IA; and Ms. Mei Xu, CEO, Chesapeake Bay Candle, Bethesda, MD.

Ms. Mills testified that changes taking place in the economies of the United States and other industrial trading nations have improved the competitiveness of manufacturing in the United States. She believes that the factors influencing this trend are likely to continue which should lead to new economic opportunities for small manufacturing firms, their small business suppliers and small business ancillary service providers. Secretary Hitt testified that attracting manufacturing production to South Carolina is a central component of his state's economic development agenda. He noted that manufacturing generally has a higher economic multiplier compared with other types of economic activities, thus resulting in the creation of additional economic opportunities for small businesses. Mr. Harberts testified that his business has been awarded a contract to supply components to a large business that decided to move some of its manufacturing final assembly from a European country to Iowa. As a result, he has been able to expand his work-

force. Ms. Xu testified that the shifts affecting international markets influenced her decision to source her manufacturing production in the State of Maryland versus overseas.

Each of the witnesses commented that while the manufacturing competitiveness of the United States economy is improving, more needs to be done to help the present trend reach its full potential. Mr. Harberts and Ms. Xu specifically mentioned the need for workers with the right skills and training necessary for occupations in modern manufacturing.

HEARING: “EXPANDING BROADBAND ACCESS AND CAPABILITIES TO SMALL BUSINESSES IN RURAL NEW YORK”

On March 20, 2014, the Subcommittee on Health and Technology of the Committee on Small Business met for a field hearing titled, *Expanding Broadband Access and Capabilities to Small Businesses in Rural New York*, in Albion, NY. The hearing examined the strategy and role of the federal government in expanding broadband capabilities to small businesses in rural communities. Representatives from various Internet providers and the business community testified about wireless spectrum, federal broadband programs, Universal Service Fund (USF) reform, and other initiatives of the Federal Communications Commission.

Witnesses were: Mr. Mark Meyerhofer, Director of Government Relations, Northeast-Western New York, Time Warner Cable, Lancaster, NY; Jill Canfield, Esq., Director and Assistant General Counsel, NCTA—The Rural Broadband Association, Arlington, VA; Mr. Robert Smith, General Manager, Frontier Communications, Dansville, NY; and Ms. Kendra Lamb, Owner, Lamb Farms Inc., Oakfield, NY, testifying on behalf of the New York Farm Bureau.

At the hearing, witness provided an overview of the challenges and barriers in expanding broadband to rural areas, and also explained the growing importance of access to broadband for small businesses. Mr. Meyerhoffer explained the difficulty in expanding cable broadband to isolated areas, stating the investments in many cases are not economically feasible. Ms. Canfield highlighted the challenges for small wireline and wireless carriers, including regulatory uncertainty surrounding USF reform. Mr. Smith described Frontier’s effort in expanding broadband to unserved areas of rural New York, including over \$200 million on infrastructure development. Ms. Lamb provided testimony on how her dairy farm utilizes broadband Internet to operate and strengthen their business and while her farm had access, about 31 percent of farmers do not have broadband access.

HEARING: “BARRIERS TO OPPORTUNITY: DO OCCUPATIONAL LICENSING LAWS UNFAIRLY LIMIT ENTREPRENEURSHIP AND JOBS?”

On March 26, 2014 at 10:00 a.m., the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on “Barriers to Opportunity: Do Occupational Licensing Laws Unfairly Limit Entrepreneurship and Jobs?” The purpose of the hearing was to examine the effects of state and local occupational licensing and certificate of need laws on entrepreneurship, job creation, and the economy.

The witnesses were: Ms. Melony Armstrong, Owner and Operator, Naturally Speaking, Tupelo, MS; Timothy Sandefur, Esq., Principal Attorney, The Pacific Legal Foundation, Sacramento, CA; Ms. Patti Marrow, President, Interior Design Protection Consulting, Greer, SC; and Rebecca Haw, Esq., Assistant Professor of Law, Vanderbilt Law School, Nashville, TN. Each of the witnesses testified that many state and local occupational licensing laws are enacted not to serve a public purpose, such as protecting human health or safety, but to restrict the entry of new competitors into the market. Mrs. Armstrong testified that the State of Mississippi would have required her to obtain more than 2,000 hours of instruction in cosmetology in order to teach her business's hair braiding technique to other potential practitioners, an expense she could not afford. Ms. Marrow testified that the education and examination requirements included in a proposed occupational licensing legislation in New Hampshire, her state of residence at the time, would have required her to obtain several years of post-secondary education and that no schools in the state taught the courses required to obtain the license. Mr. Sandefur testified that many occupational licensing and certificate of need laws violate an individual's right to equal protection under the law and that state and local lawmakers should consider the civil rights implications of these regulations. Ms. Haw testified that many occupational licensing laws should be subject to anti-trust scrutiny. She stated that while the courts have extended anti-trust immunity to regulations imposed by governments, most occupational licensing boards are comprised of private sector individuals from the occupations being regulated. Both Ms. Haw and Mr. Sandefur stated that state governments are doing little to supervise licensing boards.

HEARING: "ROOM TO GROW: THE BENEFITS OF PARTNERSHIPS IN SMALL AGRICULTURE BUSINESS DEVELOPMENT"

On May 13, 2014 at 10:00 a.m., the Subcommittee on Health and Technology of the Committee on Small Business met at the Livingston County Government Center, Geneseo, NY, for the purpose of receiving testimony on "Room to Grow: The Benefits of Partnerships in Small Agriculture Business Development." The purpose of the hearing was to examine the potential benefits to small agricultural producers of entering into contract and other supply arrangements with large processing and retailing companies.

The witnesses were: Ms. Linda Hamilton, Owner, Triple H Farms, Leicester, NY, testifying on behalf of the New York Farm Bureau; Mr. Steven Van Voorhis, President, New York Corn Growers Association, Henrietta, NY; Mr. Joe Weber, Vice President, Mike Weber Greenhouses, Inc.; and Mr. Ray Scheuth, Director of Agriculture, Eastern Operations, Seneca Foods Corp. Janesville, WI.

Ms. Hamilton testified that one of the primary benefits for small agricultural operations when contracting with larger processors is the greater economic certainty that those supply contracts can provide. Mr. Van Voorhis also testified that while the past few seasons have been favorable to corn farmers, contracting with larger processing entities helped some financially struggling corn producers survive previous periods of low commodity prices. Mr. Scheuth tes-

tified that large processing firms, like Seneca, depend upon consistent supplies of high quality products from suppliers and that these inputs are best achieved through production contracts with growers, including many small business growers. Mr. Weber stated that his business has been able to expand after the supermarket chain Wegmans began selling his products in its stores throughout the region and that the certainty his agreement with Wegmans provides his operation has made it possible for him to begin offering his products at the retail level. Chairman Collins asked the small agricultural producer witnesses if contracting and other supply agreements made it easier for them to obtain capital from lenders. All of the agricultural producer witnesses agreed having a contract improves their ability to obtain financing from lenders.

HEARING: "UNFAIR TRADE PRACTICES: ADDRESSING BARRIERS FACING SMALL BUSINESS EXPORTERS"

On May 22, 2014 at 10:00 a.m., the Subcommittee on Agriculture Energy and Trade of the Committee on Small Business met in room 2360 of the Rayburn House Office Building to receive testimony on "Unfair Trade Practices: Addressing Barriers Facing Small Business Exporters." The hearing reviewed practices by foreign trading partners, such as dumping and product counterfeiting, which may cause economic harm to small businesses in the United States.

The witnesses were: Mr. Milton Magnus, President, M&B Metal Products Company, Inc., Leeds, AL, testifying on behalf of the American Wire Producers Association; Peter Jhones, Legal Advisor, Spyderco, Golden, CO; Mr. Dan Shawcroft, President, Colorado Farm Bureau, Owner, Shawcroft Ranches, Alamosa, CO, testifying on behalf of the Colorado Farm Bureau; and Timothy Brightbill, Esq., Partner, Wiley Rein, LLP, Washington, DC.

Mr. Magnus testified that Chinese firms have been illegally circumventing anti-dumping duties imposed on Chinese-made wire hangers by transshipping these products to the United States through other nations. He also criticized the United States Customs and Border Protection service for their apparent reluctance to collect duties owed by foreign firms that illegally dump product in the United States.

Mr. Jhones testified that many foreign-based online commerce websites do not include adequate protections to prevent counterfeit product from being sold via their exchanges. As a consequence, counterfeited products have entered into United States commerce, resulting in lost sales for the firm and potential damages to its reputation when the counterfeit products do not perform as advertised. Mr. Jhones suggested that the United States should prioritize patent and trademark infringements in future trade agreements.

Mr. Shawcroft testified that foreign sanitary and phytosanitary (SPS) measures have become favored tools utilized by foreign nations seeking to enact import barriers to United States agriculture products. He stated these barriers harm domestic producers by resulting in lower prices for their crops and livestock. Mr. Shawcroft urged the United States to pursue remedies to the misapplication of SPS measures as part of future international trade agreements.

Mr. Brightbill testified that foreign non-tariff measures are the most common trade barrier facing United States exporters. He also noted that private United States business must often compete in international markets with large foreign state-owned and state-controlled enterprises and that these government-owned enterprises should do more to adhere to international trade liberalization commitments.

HEARING: "THE NEW DOMESTIC ENERGY PARADIGM: DOWNSTREAM CHALLENGES FOR SMALL ENERGY BUSINESSES"

On June 26, 2014 at 10:00 a.m. the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met in room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "The New Domestic Energy Paradigm: Downstream Challenges for Small Energy Businesses." The hearing examined how a potential mismatch between the increase quantities of specific grades of crude oil and the ability of domestic refiners to transform these crudes into high-value economic products could negatively affect upstream small business crude oil producers.

The witnesses were: Mr. Jared Blong, CEO/President, Octane Energy, Midland, TX; Mr. Russell Smith, Executive Vice President, Quantum Energy, Inc., Williston, ND; Mr. Kevin Book, Managing Director, ClearView Energy Partners, LLC., Washington, DC; and Greg Dotson, Esq., Vice President for Energy Policy, Center for American Progress, Washington, DC.

Mr. Book testified that there is a growing mismatch between the amounts of light sweet crude oil being produced from tight oil formations in the United States and the capacity of the domestic refining sector to efficiently refine these oils into high-value products, predominately transportation fuels. He stated that unless this mismatch is addressed either through the expansion of light sweet oil refining capacity or by lifting the United States' de facto ban on the export of crude oil to allow excess produced oil to find a market, oil refiners could insist on price discounts that would reduce incentives for upstream oil producers to drill additional wells.

Mr. Smith testified that Quantum Energy is in the process of building small scale refineries in North Dakota to process light sweet crude oil being produced in that state. He also stated that the capacity of these refineries was determined by federal regulations, as smaller refineries like those being built by Quantum Energy, Inc. face fewer federal permitting requirements.

Mr. Blong testified that most of the jobs associated with the energy industry are created by upstream drilling activities many of which are small businesses. He stated that fears of a supply glut driving down prices for light sweet crude have put plans to expand his own small business drilling contractor firm on hold.

Mr. Dotson testified that while the increased domestic production of crude oil has helped reduce foreign crude oil imports, the United States should continue to pursue policies that reduce the consumption of carbon-based fuels. He also noted that increased production of crude oil, without concomitant investment in infrastructure leads to wasting other valuable resources, such as natural gas.

HEARING: "CASH ACCOUNTING: A SIMPLER METHOD FOR SMALL FIRMS?"

On July 10, 2014, the Subcommittee on Economic Growth, Tax and Capital Access of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building in order to review the use of cash accounting by small businesses. The Subcommittee examined the differences in the use of the cash or accrual accounting methods for small businesses, the advantages of the cash method for small firms, and ways to make easier for entrepreneurs the tracking and recording of income and expenses.

The witnesses were: Donald Williamson, CPA, Esq., Executive Director, Kogod Tax Center, American University, Washington, DC; Sarah Windham, CPA, Senior Tax Manager, Dixon Hughes Goodman, LLP, Charleston, SC, testifying on behalf of the South Carolina Farm Bureau; Terry Durkin, EA, Owner, Durkin Associates, Burlington, MA, testifying on behalf of the National Association of Enrolled Agents; Stephen Mankowski, CPA, Partner, EP Caine & Associates CPA, LLC, Bryn Mawr, PA, testifying on behalf of the National Conference of CPA Practitioners.

Mr. Williamson explained the differences between the cash and accrual method of accounting and discussed a proposal known as the "simplified cash method of accounting," which would further simplify the cash method of accounting by allowing for the expanded use and simplification of deductions of expenses. Ms. Windham testified about her experiences with small business clients in her work as a CPA, and particularly, how the use of the cash method of accounting makes it easier for small farming businesses to operate, as many rely on thin profit margins and could not afford to pay taxes on cash not yet received as commonly required using the accrual method of accounting. Ms. Durkin noted that cash accounting was easier for her clients and her own small business—Durkin Associates. Mr. Mankowski testified on the "one-time" hit many small businesses would face if required to convert from cash to accrual accounting methods and the increased tax liability that comes with such change even though the small business may not yet have the cash to pay the income taxes owed.

HEARING: "ACTION DELAYED, SMALL BUSINESS OPPORTUNITIES DENIED: IMPLEMENTATION OF CONTRACTING REFORMS IN THE FY 2013 NDAA"

On July 15, 2014, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony regarding delays in the implementation of small business contracting reforms passed into law as part of the National Defense Authorization Act for Fiscal Year 2013 (FY13 NDAA) on January 2, 2013. Specifically, the hearing examined those reforms requiring action by the United States Small Business Administration (SBA) and the effect of delays on small businesses.

The witnesses on the first panel were: Angela Styles, Esq., Partner, Crowell & Moring LLP, Washington, DC; Ms. Charlotte Baker, President, Digital Hands, Tampa, FL, testifying on behalf of Women Impacting Public Policy; Mr. Larry Allen, President, Allen

Federal Business Partners, McLean, VA; and Damien Specht, Esq., Senior Counsel, Jenner & Block, LLP, Washington, DC. The second panel had only one witness, Mr. John Shoraka, Associate Administrator for Government Contracting and Business Development, SBA, Washington, DC.

Ms. Styles and Ms. Baker focused on the SBA's failure to promulgate regulations for changes to the limitation on subcontracting provisions and the harm the failure is doing to the industrial base, prices paid by the government, and the inability of small businesses to obtain subcontracts from large prime contractors. Mr. Allen addressed SBA's failure to act on to statutory changes intended to make it easier for small businesses to comply with SBA's size standards, including a sound and consistent suspension and debarment process. Mr. Specht commented primarily on the mentor-protégé provisions in the FY13 NDAA, noting that regulatory certainty will help mentors and protégés plan their business operations. Mr. Shoraka testified that SBA was making progress including having submitted to the Office of Management and Budget's Office of Information and Regulatory Affairs a draft rule concerning small business prime contractors using small business subcontractors to perform requisite percentages of work on the contract. Mr. Shoraka also committed to publishing a mentor-protégé rule "in the near future."

HEARING: "MODERNIZING AGRICULTURE PRODUCER SIZE STANDARDS"

On July 24, 2014 at 10:00 a.m., the Subcommittee on Agriculture, Energy and Trade of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building for the purpose of receiving testimony on "Modernizing Agriculture Producer Size Standards." The purpose of the hearing was to determine whether reforms to the statutory small business size standard for agricultural enterprises are necessary in order to ensure more equitable treatment for these firms.

The witnesses were: Mr. John Shoraka, Associate Administrator for Government Contracting and Business Development, United States Small Business Administration, Washington, DC; Mr. Mark Oestman, Owner, Oestman Farms, LLC, Eckley, CO, testifying on behalf of the Colorado Corn Growers Association; Mr. Ken Keesaman, Owner, KK Farms Red Angus, Osborn, MO, testifying on behalf of the National Cattleman's Beef Association; and Mr. Robert Guenther, Senior Vice President, Public Policy, United Fresh Produce Association, Washington, DC.

Mr. Oestman and Mr. Keesaman testified that the current statutory definition of small business agriculture enterprise has not kept pace with economic inflation or the structural and marketplace realities of the modern agriculture production industry. As a consequence, fewer farms and ranches meet the size standard definition, even though these enterprises undertook no actions, such as increasing their acreage or livestock, that would otherwise justify a change in their status. Mr. Guenther testified that few individuals could make fruit and vegetable production their primary occupation at the current size standard. Mr. Oestman and Mr. Keesaman agreed that this is also the case for crop and livestock producers. All of the witnesses representing agriculture production

enterprises also stated that the size standard for their agencies should be periodically reviewed and adjusted for inflation.

Chairman Tipton asked Mr. Shoraka whether the United States Small Business Administration has the capabilities to determine a size standard for agricultural enterprises and whether the agency's size standard methodology is appropriate for these industries. Mr. Shoraka stated that the agency would be able to establish a size standard for these industries should Congress provide the agency with the authority to do so.

HEARING: "TELEMEDICINE: A PRESCRIPTION FOR SMALL MEDICAL PRACTICES?"

On July 31, 2014 at 10:00 a.m. the Subcommittee on Health and Technology of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, Washington, DC, for the purpose of receiving testimony on telemedicine opportunities for small medical practices. The hearing examined the benefits and costs associated with implementing telemedicine for small medical practices.

The witnesses were: Karen S. Rheuban, M.D., Professor of Pediatrics and Senior Associate Dean, University of Virginia Center for Telehealth, Charlottesville, VA; Megan McHugh, Ph.D., Research Assistant Professor and Director, Program in Healthcare Policy and Implementation, Feinberg School of Medicine, Northwestern University, Chicago, IL; Ms. Maggie Basgall, Community Development Specialist, Nex-Tech, Lenora, KS, testifying on behalf of NTCA—The Rural Broadband Association; and Brenda J. Dintiman, M.D., Fair Oaks Skin Care Center, Fairfax, VA, testifying on behalf of the American Academy of Dermatology. Dr. Rheuban testified that telemedicine is not a new specialty, a new procedure or a new clinical service but rather technology that can provide real-time physician access, via high definition interactive videoconferencing supported by peripheral devices, or provided asynchronously, using store and forward technology, through the use of remote patient monitoring tools. Ms. Basgall explained that telemedicine in rural areas is becoming more prevalent with the help of the United States Department of Agriculture Rural Utilities Service's Distance Learning and Telemedicine grant program and the Federal Communications Commission's Rural Health Care Fund. Dr. Dintiman discussed how she has expanded her dermatology practice using DermUtopia, a HIPAA compliant mobile phone and web-based application to evaluate and treat both her patients and those who do not have a primary dermatologist. Dr. McHugh said telemedicine protocols can help hospitals and medical practices incentivize physicians to provide the highest quality care at the lowest cost.

HEARING: "THE DECLINE IN BUSINESS FORMATION: IMPLICATIONS FOR ENTREPRENEURSHIP AND THE ECONOMY"

On September 11, 2014, the Subcommittee on Contracting and Workforce of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building to receive testimony on the declining rate of new business creation over the past 30 years and the state of entrepreneurship during this latest economic recovery. The Subcommittee was interested in understanding the reasons for

such decline, the impact on the economy, and any actions to resuscitate such growth.

The witnesses were: Mr. Jonathan Ortman, Senior Fellow, Kauffman Foundation, Washington, DC; Mr. John Dearie, Executive Vice President for Policy, Financial Services Forum, Washington, DC; Chad Moutray, Ph.D., Chief Economist, National Association of Manufacturers, Washington, DC; and John Deskins, Ph.D., Director, Bureau of Business and Economic Research and Associate Professor of Economics, West Virginia University, Morgantown, WV.

The witnesses provided testimony on the causes and implications of the declining rate of new firm creation and discussed various ideas to reinvigorate entrepreneurship in the United States. Mr. Ortman discussed the Kauffman Foundation's research noting the importance of new firms as opposed to small businesses generally as job creators and contributors to productivity growth. Mr. Dearie highlighted that the concerns for new businesses are similar to existing small businesses; such as lack of access to capital, regulatory burdens, lack of a skilled workforce, but navigating these challenges is more complex for a new firm. Dr. Moutray stated that "policymakers need to adopt pro-growth measures that will enable manufacturers and other businesses to expand, to hire more workers and to invest in more capital spending." Finally, Dr. Deskins testified that a complex tax code dissuades entrepreneurs from starting new businesses.

HEARING: "AN UPDATE ON THE SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOPS): ARE THEY WORKING FOR SMALL BUSINESSES?"

On September 18, 2014 at 10:00 a.m., the Subcommittee on Health and Technology of the Committee on Small Business met in Room 2360 of the Rayburn House Office Building, for the purpose of receiving testimony for an update on whether the Affordable Care Act's (ACA) Small Business Health Options Program (SHOPs) are working for small businesses. The witnesses were: Ms. Mayra Alvarez, Director, State Exchange Group, Center for Consumer Information and Insurance Oversight, Centers for Medicare and Medicaid Services, Washington, DC; Roger Stark, M.D., Health Care Policy Analyst, Washington Policy Center, Seattle, WA; Adam Beck, Esq., Assistant Professor of Health Insurance, The American College of Financial Services, Bryn Mawr, PA; and Mr. Jon Gabel, Senior Fellow, National Operation Research Center of the University of Chicago, Bethesda, MD.

Ms. Alvarez explained that this past year, small businesses have only been able to purchase federally-facilitated SHOP health insurance through an insurance agent, broker or issuer, and those policies did not offer employees a choice of plans. Dr. Stark testified that although the employer mandate is a critical part of the ACA, the SHOP marketplace for small businesses seems to be almost an afterthought in the law. There is no clear evidence of interest on the part of small companies to provide health insurance through a marketplace with tax credits. Dr. Beck believes that the SHOP marketplace as it is currently structured and presented falls short of its intended goals. He said the SHOP will remain inadequate and continue to enroll relatively few companies as long as three

factors remain: inadequate tax incentives, the lack of engagement of agents and brokers, and information technology deficiencies. Mr. Gabel testified that if the SHOPs are to succeed in enrolling significant numbers of small employers, they must provide value-added features not available to the current off-SHOP marketplace. He cautioned that many challenges to the SHOPs remain, including finding the proper role for brokers, withstanding the availability of self-insurance, and resolving the SHOPs' technological failures.

PART C

WASTE, FRAUD, ABUSE AND MISMANAGEMENT

Of the hearings delineated above, the following were devoted specifically to an examination of programs within the Committee's jurisdiction with a focus on potential mismanagement, waste, fraud and/or abuse.

HEARINGS ON SBA MANAGEMENT AND BUDGET

During the April 24, 2013 full Committee hearing on the President's FY 2014 budget request for the Small Business Administration (SBA), at which Administrator Karen Mills testified, the programs under her authority were discussed in detail. The members of the Committee expressed their concerns about a number of pilot programs for entrepreneurial training that were not authorized by legislation and appear to duplicate extant efforts mandated in the Small Business Act. Further questioning examined the delays in the modernization of the agency loan management accounting system that is significantly behind schedule. The Committee's concerns about pilot programs and implementation of information technology resources are laid out in greater detail in the FY 2014 and FY 2015 budget views and estimates letters that were adopted by the Committee on February 27, 2013 and March 25, 2014 respectively.

The Committee followed the hearing of the Administrator with testimony from the Inspector General on June 5, 2013. Committee members inquired about the continuing fraud in the SBA's government contracting programs, the failure of the agency to complete modernization of the loan management accounting system, the errors in the SBA's own procurement for goods and services, the absence of performance metrics, and the problems associated with the processing of disaster loans. The Inspector General's responses revealed continued problems at the SBA that the agency needs to address.

On September 10, 2014, the new SBA Administrator, the Hon. Maria Contreras-Sweet testified before the Committee. Members made inquiries concerning her recent attempts to revamp the processing of guaranteed loans without having obtained input on those changes from the agency's guaranteed lending partners. Other lines of inquiry concerned the agency's continued effort to create new programs that appear to duplicate existing efforts at the agency and elsewhere in the government.

HEARING ON ENTREPRENEURIAL DEVELOPMENT PROGRAMS

Three hearings on the SBA's entrepreneurial development programs examined the scope of these programs, the adequacy of eval-

uations by the SBA, duplicative programs among federal agencies, and private sector initiatives that could replace the federal government's efforts. The full Committee hearings on March 20, 2013 and November 20, 2013 are described in Part A, *supra*, and the Subcommittee on Economic Growth, Tax, and Capital Access hearing on September 19 is described in Part B, *supra*. In 2014, the Committee held three additional hearings on the overlap between the private sector and SBA-created initiatives; those hearings were held on April 30, 2014, May 7, 2014, and September 10, 2014 when the Administrator Contreras-Sweet testified. The Subcommittee on Contracting and Workforce also held a field hearing on March 11, 2014 to examine barriers to accessing SBA entrepreneurial development programs. Summaries of these hearings can be found in Part B, *supra*.

HEARINGS ON SBA FINANCIAL ASSISTANCE PROGRAMS

In addition to the hearings at which the Administrator and Inspector General testified at which the SBA's capital access programs were addressed, there were two subcommittee hearings in the Subcommittee on Economic Growth, Tax and Capital Access covering certain aspects of SBA's efforts to provide financial assistance to small businesses. The July 25, 2013 hearing addressed regulatory problems in the Small Business Investment Company and a December 5, 2013 hearing that examined the state of small business lending and how the SBA programs do or do not contribute to meeting the debt capital needs of small businesses. Both hearings are described in more detail in Part B, *supra*.

Efforts to examine duplication and overlap in federal financial assistance to entrepreneurs continued in the second session of the 113th Congress. GAO identified about 30 programs across federal agencies that provide financial assistance and the Subcommittee on Agriculture, Energy and Trade examined that duplication (with an emphasis on the overlap between SBA's guaranteed loan programs and those conducted by the United States Department of Agriculture) in a February 6, 2014 hearing that is described in Part B, *supra*.

HEARINGS ON FEDERAL PROCUREMENT

Four hearings by the Subcommittee on Contracting and Workforce held on May 23, 2013, June 13, 2013, October 10, 2013, and December 11, 2013 examined problems in agency compliance with federal statutes and rules governing purchases of goods and services from small businesses. These hearings are described in greater detail in Part B, *supra*. And as already noted, the hearings with the Administrator and Inspector General reviewed abuse of SBA contracting programs and the steps needed to eliminate such abuses.

During the second session of the 113th Congress, the Committee continued to examine federal procurement rules as they affect small businesses. The full Committee, in two separate hearings (May 21, 2014 and July 23, 2014) examined the operation of the Small Business Innovation Research Program to ensure that the "sole sourcing" involved in the program was not being abused and agencies were complying with statutory efforts to root out waste,

fraud and abuse in the program. The Subcommittee on Contracting and the Workforce examined the implication of the failure of federal agencies to implement procurement changes dictated by the 2013 National Defense Authorization Act. A fuller description of these hearings can be found in Part B, *supra*.

PART D
OVERSIGHT ACTIVITIES

OVERSIGHT PLAN FOR THE 113TH CONGRESS

Clause 2(d) of rule X of the Rules of the House of Representatives for the 113th Congress requires that each standing committee, in the first session of a Congress, adopt an oversight plan for the two-year period of the Congress and submit the plan to the Committee on Oversight and Government Reform and the Committee on House Administration.

Subpart A contains the Oversight Plan of the Committee on Small Business for the One Hundred Thirteenth Congress, which the Committee considered and adopted on January 23, 2013. Subpart B contains a summary of the actions taken to implement that plan.

SUBPART A

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

JANUARY 23, 2013, 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 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 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.
- Results of the Small Business Lending Fund and State Small Business Credit Initiative established by Pub. L. No. 111-240, the Small Business Jobs Act of 2010, in creating jobs and providing capital to small businesses.
- Impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, on small business access to capital.
- Implementation of crowdfunding and other provisions of the Jumpstart Our Business Startups Act, Pub. L. No. 112-106.

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, and loan programs utilizing simplified lending applications.

Oversight of SBA and Other Federal Entrepreneurial Development Programs

The Committee will conduct 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 or by the private sector.
- Suggesting methods for enhancing coordination among federal agencies in providing assistance to entrepreneurs, including, but not limited to, businesses located in rural areas and those seeking to provide goods and services in the federal procurement marketplace.
- 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, and Small Business Innovation Research.
- 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).
- Implementation and efficacy of changes made in small business federal procurement programs arising from the enactment of the National Defense Authorization Act for FY 2013, Pub. L. No. 112–239.
- Examination of the Small Business Innovation Research Program as modified by the National Defense Authorization Act for FY 2012, Pub. L. No. 112–81, including, but not limited to, increased efforts at commercializing federally-funded technology.

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 that 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 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 and still in effect as of the approval of this Oversight Plan.

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 continued 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 the 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.

- 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 create greater 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 any and all offices and programs that fall within the Committee's legislative jurisdiction to find areas that could lead to reduction in the federal deficit. Some programs and offices may include:

- 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.
- Clusters Program initiated by the SBA.
- Innovation and Impact Fund Pilot Programs operated by the 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.

SUBPART B

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

Sec. A. Oversight of Federal Capital Access Programs

In preparation of views and estimates, the Committee analyzed SBA programs devoted to providing access to capital to small businesses. The views and estimates adopted on February 27, 2013 and March 25, 2014 enabled the Committee to outline its concerns with and proposals for improving the programs devoted to small business financing, including the 7(a) Loan Program, the Certified Development Company Loan Program, the Microloan Program, the Small Business Investment Company Program, the Surety Bond Program and the Disaster Loan Program. As part of its review, the Committee continued to monitor the progress of the modernization of the SBA's Loan Management Accounting System.

The Committee and its subcommittees held five hearings on SBA's capital access programs and that were described in Parts B and C, *supra*. For purposes of brevity, those descriptions will not be restated here.

The Chairman and Rep. Coffman (R-CO) also requested that GAO determine whether the SBA has the procedures and policies in place to ensure that its lending partners comply with the requirements for issuing guaranteed loans under the Small Business Investment Act of 1958. GAO's report, issued in March 2014 (GAO-14-233), found that the SBA needed to implement additional procedures to ensure that such loans complied with statutory requirements concerning economic development.

The Committee has requested thousands of pages of documents concerning the processes and procedures by which the SBA reviews franchise agreements. This review process ultimately determines whether a franchisor is affiliated with a franchise and thus

estopping the franchisee from obtaining a guaranteed loan. On March 7, 2014, the SBA sent a letter to the SBA requesting additional information concerning this process. Subsequent to the receipt, the SBA concurred that the franchise review process needed to be overhauled and the agency expected to release a request for comment on that before the end of the 2014 calendar year.

Finally, the Committee has been involved in oversight of the licensing process for Small Business Investment Companies (SBICs). The process has not had an appropriate regulatory regime since the mid-1980s and the agency no longer follows that process. Pursuant to Committee investigations and requests, the agency finally issued a new standard operating procedure in August, 2014.

Unrelated to the SBA financial access programs, the Committee has taken a keen interest in the implementation of crowdfunding authorized by the Jumpstart Our Business Startups Act of 2012. In addition to the hearings described in Part B of this report, Chairman Graves submitted extensive comments on February 3, 2014 to the Securities and Exchange Commission on its proposed rule to implement crowdfunding.

Sec. B. Oversight of SBA and Other Entrepreneurial Development Programs

As part of the process for submitting views and estimates to the Committee on the Budget, the Committee assessed the various entrepreneurial development programs and made recommendations to eliminate those that the Committee believes are duplicative or mirror services provided by the private sector. These recommendations were, in part, based on information obtained from the SBA in a joint letter sent by the Chair and Ranking Member on February 21, 2014. The conclusions set out in the views and estimates letters concerning the duplicative nature of the programs and an absence of measurable metrics were highlighted in the hearings described in Subpart A of Part D, *supra*.

The Committee filed comments with the SBA on September 5, 2013 concerning the amount and form of information required to be submitted to the agency by its entrepreneurial training partners. Chairman Graves also submitted raised the inadequacy of the SBA's privacy rules on its entrepreneurial development partners in a letter dated June 9, 2014. As a result of these letters, the SBA has not finalized any of their proposed actions concerning the entrepreneurial development programs.

Finally, the Chairman, in conjunction with the Ranking Member of the Senate Committee on Small Business and Entrepreneurship, Sen. Risch (R-ID), requested GAO to review the SBA's cosponsorship authority (the mechanism by which the SBA often funds various training and outreach events). GAO released a report in May of 2014 (GAO-14-260) in which it found that the SBA did not have sufficient feedback to assess the benefit of cosponsored activities to small business attendees.

Sec. C. Oversight of Federal Government Contracting Matters

The hearings on federal procurement and its impact on small businesses, including programs overseen by the SBA, are described in Parts B and C, *supra*, of this report reiteration of those descrip-

tions here would be pleonastic. While hearings are useful in conducting oversight of federal procurement activities, the technical nature of the procurement process requires that oversight be conducted outside the formal hearing process. Those activities are described below.

The Committee, based on information from whistleblowers, initiated an investigation on January 22, 2013 of the Department of Health and Human Services (HHS) retaliation by a contracting officer. After request for documents and meetings, the Department re-assigned the individual and revised the methodology for awarding task order contracts. The Committee continues to monitor the situation at that agency. The Committee also requested documents from the Department of Justice about investigations into contracts awarded by HHS. The Committee staff continues to review those documents.

In a letter to the General Services Administration (GSA) on February 7, 2013, the Chairman questioned why small businesses were not getting paid monies owed them under the federal supply schedule contracts. This resulted in GSA agreeing to correct this oversight in a letter on May 6, 2013.

Subcommittee Chairmen Hanna (R-NY) and Collins (R-NY) launched an examination on March 14, 2013 of the Department of Veterans Affairs' (DVA) procedures for issuing construction contracts. The Committee continued to monitor the situation, including the Department's promise to reexamine the procedures for award of such contracts.

In a series of letters during the spring of 2013, Chairman Graves, Subcommittee Chairman Hanna, and Rep. Coffman (R-CO) sent letters to DVA and all other federal agencies inquiring about compliance with changes in the Offices of Small and Disadvantaged Business Utilization necessitated by amendments to the Small Business Act. The Committee continued to monitor the implementation of these amendments to the Small Business Act, especially at the DVA, which specifically has rejected structural changes that the Committee believed are necessary to comply with the Small Business Act.

Chairman Graves sent two letters to the SBA concerning the implementation of various government contracting programs overseen by the agency; one was dated November 27, 2013 and the other was sent on November 3, 2014. Chairman Graves requested documents from the SBA concerning the agency's compliance with various Small Business Act contracting programs and why the agency has delayed its implementation of various statutory changes.

A key component of the contracting programs overseen by the SBA is a determination that the business to be awarded a contract is considered small and such determinations are based on tables codified in SBA's regulations. Chairman Graves submitted extensive comments to the SBA on the proposed changes to size standards in a letter dated November 10, 2014.

Chairman Graves was a co-requester of a GAO study on reverse auctions. GAO released its study in December of 2013 (GAO-14-108) and determined that increased use of reverse auctions did not result in lower costs to the government.

Finally, the Committee held two hearings on the implementation of changes made to the Small Business Innovation Research Program. In addition, GAO issued a statutorily-required report on venture-capital portfolio company participation in the program in November of 2014 (GAO-15-68) which found no adverse impact on the ability of non-venture capital funded firms to obtain research and development awards under the program.

During the 112th and 113th Congresses, numerous technical, but important, changes were made in federal procurement programs. By the end of the 113th Congress, agencies had not taken steps to implement many of these modifications. The November 3, 2014 letter from Chairman Graves to the SBA also was sent to the Department of Defense and the General Services Administration inquiring about those agencies' delays in implementing changes to federal procurement law.

Sec. D. Oversight of SBA Management

The Committee continues to oversee the management of the SBA through hearings, meetings with agency personnel, and industry representatives. The hearings held by the Committee and its various subcommittees concerning the management of the SBA were described in Parts A, B, and C, *supra*. The reader should examine those parts for descriptions of the relevant hearings. In addition, hearings and other Committee activities on other topics, such as the SBA's financial and contracting programs, also implicate the overall management of the agency and the reader is directed to review those descriptions set out elsewhere in this report, including various sections of Subpart B of Part D.

The Chairman and Ranking Member co-requested a comprehensive study of SBA management by GAO on February 6, 2014. A commitment letter was received from GAO on February 12, 2014 with an expected delivery date sometime in the spring of 2015.

The Committee examined the issuance of contracts for the provision of central registration services for the programs authorized by Title III and V of the Small Business Investment Act of 1958. After extensive research, the Committee informally notified the SBA that its use of a sole source contract violated the law and the SBA decided to use competitive procedures for awarding those contracts in FY2015 and FY2016.

Sec. E. Oversight of Federal Regulatory and Paperwork Burdens

The Committee held eight hearings and various subcommittees held a total of 12 hearings on the burdens of federal regulation on small businesses (exclusive of those that address compliance with the Internal Revenue Code or the Patient Protection and Affordable Care Act (PPACA)). Those hearings are described in Parts A and B, *supra* and their descriptions will not be repeated here.

The Committee also took an active role in overseeing how federal agencies developed regulations in order to ensure that those rules do not impose undue burdens on small businesses. On February 26, 2013, Chairman Graves submitted a letter to the Federal Communications Commission (FCC) requesting an extension of the comment period on rules affecting aviation communication in order to allow small businesses to provide adequate comments on how

changes will affect general aviation. The Chairman, in conjunction with the Chairman of the Committee on Education and Workforce, on July 11, 2013 requested documents related to the Department of Labor's decision to change the applicability of the Davis-Bacon Act to survey crews; those documents were received and staff is reviewing them to determine appropriate subsequent actions. An August 1, 2013 letter from the Chairman to the Administrator of the Environmental Protection Agency (EPA), the Hon. Gina McCarthy, asserted that the agency's certification that a proposed rule to revise the standards for underground storage tanks would not have a significant economic impact on a substantial number of small entities was incorrect. Auctions of spectrum by the FCC must be available to small businesses pursuant to 309(j) of the Communications Act of 1934 and staff requested, on July 9, 2013, the spectrum purchased by small businesses in auctions. Committee staff requested information, on September 21, 2013, from the FCC about its efforts to ameliorate regulatory burdens on small carriers associated with revisions to the Universal Service Fund. Concerns about the impact on small businesses of an Occupational and Safety Health Administration proposed rule to reduce exposure limits on respirable crystalline silica resulted in a letter by Chairman Graves on October 24, 2013 requesting that the agency extend the comment period to permit small businesses sufficient time to review the complex proposal and update data originally obtained by the agency from a small business panel in 2003; an extension of 47 days was granted on November 12, 2013.

These efforts continued during the second session of the 113th Congress. In two separate letters (dated May 23, 2014 and November 14, 2014), Chairman Graves raised significant concerns about the validity of the EPA proposed regulatory change to the definition of the "waters of the United States." Chairman Graves co-signed a letter dated July 11, 2014 to the Department of Labor requesting that any extension of the Davis-Bacon Act to survey technicians be done by guidance rather than in a regulation to be published in the Code of Federal Regulations. In a letter on July 29, 2014, Chairman Graves inquired about issues with respect to the implementation of the Federal Aviation Administration's "2020 NextGen Mandate" given the likely impact it would have on small businesses involved in general aviation. On October 31, 2014, Chairman Graves sent a letter to the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget requesting that OIRA send back to EPA the emissions standards for brick manufacturers because the agency failed to comply with the Regulatory Flexibility Act and Executive Order 12,866.

Sec. F. Oversight of Federal Tax Policy

The Committee held four hearings on federal tax policy. Those hearings (April 10, 2013, July 17, 2013, October 2, 2013, and April 9, 2014) are described in detail in Part A, *supra*, and the reader is directed to that part of this report.

Having heard from small businesses about the Internal Revenue Service's (IRS or Service) audit selection policy, the Committee initiated a multi-pronged examination. On May 31, 2013, Chairman Graves requested data from the Service on small business audits

and the process for identifying small businesses that would undergo audits. Subsequent to the response from the IRS, the Committee held a hearing with Acting Commissioner Werfel on July 17, 2013 that is described elsewhere in this report. The hearing led to subsequent inquiries to the Service on small business audit selection.

Chairman Graves sent a letter on August 9, 2013 to the Service's Commissioner for Small Business and Self-Employed concerning the reporting requirements imposed on small merchants to implement 6050W of the Internal Revenue Code. In response, the IRS contends that it is working to minimize impacts on small businesses and the Committee continues to monitor the Service's implementation of §6050W. Chairman Graves followed the agency response with another missive on March 4, 2014 again questioning how the Service was implementing this statutory requirement.

In an August 30, 2013, letter to Acting Commissioner Werfel, Chairman Graves inquired about the Service's potential implementation of a real-time tax system. The Service responded that it had no intention to implement such a system. The Committee continued to monitor any effort by the IRS to implement a real-time tax system.

Finally, Chairman Graves requested a study by GAO of the compliance burdens faced by small businesses on June 24, 2013. A commitment letter from GAO was received on October 30, 2014 with an expected report sometime in 2015.

Sec. G. Oversight of Health Care Policy

A total of eight hearings were held by the Committee and its subcommittees during the 113th Congress to review the implementation of the PPACA. The descriptions of those hearings can be found in Parts A and B, *supra*, and will, for the sake of brevity, not be reiterated here.

In addition to the hearings, Committee members took other opportunities to examine and iterate the potential consequences on small businesses of the PPACA. On February 1, 2013, Chairman Graves sent a comment letter to Secretary Geithner in response to the Department of Treasury's proposed rule on the implementation of the employer mandate. A letter dated March 27, 2013 from Chairman Graves to the Hon. Marilyn Tavenner, Administrator of the Centers for Medicare and Medicaid Services, raised concerns about delays in the establishment of exchanges that small businesses will utilize to purchase insurance for their employees. Chairman Graves submitted a letter to Secretary Sebelius on April 18, 2013 reporting the results of the Committee's April 17, 2013 hearing. Subcommittee Chairman Collins sent a letter to Acting IRS Commissioner Werfel summarizing the testimony from the May 9, 2013 hearing on the impact of the health insurers' tax on small business. In response to concerns from small businesses, Chairman Graves wrote to the IRS on September 6, 2013 to express significant reservations about the Service's interpretation of the business aggregation rules and how that will affect small business compliance with PPACA; the Committee continues to monitor this situation.

Finally, Chairman Graves requested GAO to conduct multiple studies of the small business exchanges authorized under PPACA.

The first study on the readiness of the exchanges was released on June 19, 2013 (GAO-13-614) and found that there were actions that needed to be completed before they were fully operational. The second study was released on November 13, 2014 (GAO-15-58) and found multiple factors were resulting in low enrollment through the exchanges. Prior to the release of the November 2014 GAO study, Chairman Graves had sent multiple letters in 2014 to the Secretary of HHS requesting enrollment data for the small business exchanges.

Sec. H. Oversight of Energy Policy

The Committee's oversight efforts on energy policy occurred in three subcommittee hearings held on May 16, 2013, June 20, 2013, and June 26, 2014. Readers are directed to the summaries of those hearings contained in Part B, *supra*.

Sec. I. Oversight of Trade and Intellectual Property Policy

There were eight hearings that addressed some aspect of international trade policy during the 113th Congress, including issues related to the import and export of oil. The topics and testimony of the hearings are limned fully in Parts A and B, *supra*. The Committee held seven hearings on intellectual property and technology transfer issues, including access to broadband access as a necessary precursor to technology transfer. The subcommittees were equally active on these matters with a total of seven hearings held during the 113th Congress. All of the hearings are expatiated in Parts A and B, *supra*.

In addition to hearings, other activities were used to conduct oversight of United States trade and intellectual property policy. On February 12, 2013, the Committee informally requested information from the International Trade Administration of the United States Department of Commerce on that agency's reorganization and its impact on small business exporters. Subcommittee Chairman Collins (R-NY) and Rep. Hahn (D-CA) sent a letter, dated April 4, 2013, to the SBA and the Department of Homeland Security requesting information about how those agencies are educating small businesses to protect against cyber-attacks. On May 17, 2013, Chairman Graves and Rep. Tipton (R-CO) requested information on the interaction with small businesses from the United States Bureau of Industry and Security and the SBA concerning the implementation of the President's Export Control Reform Initiative. Finally, on December 5, 2013, the Committee informally requested information from the SBA's Office of International Trade on the following issues: implementation of the State Trade and Export Promotion Program; status of the SBA and Export-Import Bank financing partnership; and efforts to reduce duplication in international trade training programs.

Sec. J. Reductions in Programs and Spending

On February 27, 2013 and March 25, 2014, the Committee on Small Business reported out its views and estimates. In those letters, the Committee recommended that the SBA improve recoveries on defaulted loans (which would reduce appropriated funds to cover the cost of its guaranteed loan programs). Given the problems with

the modernization of the loan management accounting system as noted elsewhere in this report, the Committee urged no funds for additional milestones be allocated until existing projects related to the modernization are completed. The Committee's views and estimates contained a recommendation that the SBA's entrepreneurial efforts be rationalized to reduce duplication. This was strongly reiterated by Committee members in hearings with the Administrator on April 24, 2013 and September 10, 2014. Finally, the Chairman and Ranking Member, in an effort to find improvements in management and processes that will reduce spending and rationalize programs, requested an overall management study from GAO on February 6, 2014 to which GAO responded with a commitment to issue a report sometime in the spring of 2015.

REGULATORY REVIEW

LEGISLATIVE AND OVERSIGHT ACTIVITY RELATED TO REGULATIONS, ORDERS, ADMINISTRATIVE ACTIONS AND PROCEDURES BY FEDERAL AGENCIES WITHIN THE JURISDICTION OF THE COMMITTEE ON SMALL BUSINESS³

Regulation, order, administrative action	Oversight and legislative activity
The Internal Revenue Service (IRS) proposed rule (78 Fed. Reg. 218) implementing the employer mandate under the Patient Protection and Affordable Care Act (P.L. 111–148).	On February 1, 2013, Chairman Graves sent a letter to Treasury Secretary Geithner expressing concerns with the employer mandate rule, including various definitions in the rule and the burdens of compliance to small businesses. The Committee held a hearing on April 17, 2013 to examine the implementation of the Patient Protection and Affordable Care Act and the experience of small businesses under the law, specifically related to their ability to provide benefits to their employees and the effect of the employer mandate for those companies with 50 or more employees. The hearing was followed by a letter from Chairman Graves to Health and Human Services Secretary Sebelius on April 18, 2013, regarding the use of 30 hours per week of work to define a full-time employee. Further, the Subcommittee on Health and Technology held a hearing on October 9, 2013 related to the definition of a full-time employee for purposes of complying with the employer mandate.
The Federal Communications Commission (FCC) proposed rule regarding aviation communications (78 Fed. Reg. 6276).	On February 26, 2013, Chairman Graves sent a letter to FCC Commissioner Genachowski describing his concerns about the effect of a rule related to use of certain Emergency Locator Transmitters on the general aviation community.
IRS notice (2011–1) related to non-discrimination provisions of the Patient Protection and Affordable Care Act (P.L. 111–148).	Chairman Graves sent a letter to Treasury Secretary Law and Acting IRS Commissioner Miller on March 5, 2013 expressing his concerns with the effect of the non-discrimination provisions on the health plans many small businesses currently hold.
Agency compliance with the Regulatory Flexibility Act (5 U.S.C. §§ 601–12).	On March 14, 2013, the Subcommittee on Investigations, Oversight and Regulations held a hearing to examine agency compliance with the RFA. On September 18, 2012, the Committee marked up and favorably reported legislation (H.R. 2542) to strengthen the RFA and close the loopholes used by agencies to avoid meaningful compliance with the law.

³ Under House Rule X, the Committee on Small Business has jurisdiction over the protection of small business including “regulatory flexibility,” as well as jurisdiction over the participation of small businesses in government contracts. In addition, under Rule X, cl. 3(1), the Committee has continuing oversight of problems facing small business.

Regulation, order, administrative action	Oversight and legislative activity
The Department of Health and Human Services (HHS) rules (78 Fed. Reg. 33,233, 78 Fed. Reg. 15,553) on the establishment of the Small Business Health Options Program (SHOP) under the Patient Protection and Affordable Care Act (P.L. 111–148).	On March 27, 2013, Chairman Graves sent a letter to CMS Administrator Tavenner to comment on the proposed rule and delay of the SHOPS operation. On June 19, 2013, GAO issued a report requested by Chairman Graves suggesting that missed deadlines and delays by the Administration would likely adversely affect the implementation of the SHOPS in October. In September, Chairman Graves requested another GAO investigation of the SHOPS implementation. After the Administration announced several delays of the program, Chairman Graves sent a letter to Secretary Sebelius on October 31, 2013 requesting more explanation. Finally, the Committee held a hearing on the SHOPS implementation on December 11, 2013, where CMS Deputy Administrator and Director Cohen testified.
Security and Exchange Commission (SEC) rulemaking required by the Jumpstart Our Business Startups (JOBS) Act (P.L. 112–106), including the proposed rule eliminating the prohibition against general solicitation and general advertising (77 Fed. Reg. 54,464).	On April 11, 2013, the Subcommittee on Investigations, Oversight and Regulations held a hearing to receive an update from the SEC on the status of rules to implement the JOBS Act. On September 23, 2013, the Subcommittee on Investigations, Oversight and Regulations held a field hearing in Arizona to examine the ability of small businesses to access capital and the need for SEC issuance of rules to implement the JOBS Act.
Agency compliance with changes to the organization and duties of the Offices of Small and Disadvantaged Business Utilization (OSDBU) made by the National Defense Authorization Act (NDAA) of 2013 (P.L. 112–239).	On April 16, 2013, Chairman Graves sent letters to 34 departments and agencies with an OSDBU to ensure compliance with the changes in the NDAA.
Departments of Treasury, Health and Human Services, and Labor interim final rule on the ability to keep existing health insurance coverage (75 Fed. Reg. 34,537) under the Patient Protection and Affordable Care Act (P.L. 111–148).	The Committee held a hearing on April 17, 2013 to examine the implementation of the Patient Protection and Affordable Care Act and the experience of small businesses under the law, specifically related to their ability to continue to provide benefits to their employees.
Executive Order directing agencies to implement a plan to retrospectively review regulations (E.O. 13,563) and Executive Order regarding public participation, guidance on prioritization, and schedule for agencies to report on retrospective review efforts (E.O. 13,610).	The Committee held a hearing on May 8, 2013 to examine whether agency compliance with E.O. 13,563 and E.O. 13,610 has reduced the regulatory burden on small businesses. The Committee held a subsequent hearing on July 24, 2013 with Administrator Shelanski of the Office of Information and Regulatory Affairs to gain his perspective on the implementation and effectiveness of these executive orders in achieving their purpose. The Chairman also wrote to the Small Business Administration (SBA) to follow up on testimony provided during a July 25, 2013 hearing on the Small Business Investment Company (SBIC) program. The letter inquired about compliance with E.O. 13,563 in crafting a standard operating procedure for SBICs that comprises an interpretive regulation.
IRS proposed rule on health insurance reporting and record-keeping requirements and the annual fee imposed on businesses providing health insurance (78 Fed. Reg. 14,034).	The Subcommittee on Health and Technology held a hearing on May 9, 2013 on the impact of the health insurance fee on small businesses. The same day, Chairman Collins sent a letter to the IRS summarizing the findings of the hearing and expressing concerns with the impact of the fee.
Department of State draft supplemental environmental impact statement (SEIS) for the Keystone XL Pipeline.	On May 16, 2013, the Subcommittee on Agriculture, Energy and Trade held a hearing on the impact of the construction of the Keystone XL Pipeline on small businesses and job creation.
Bureau of Industry and Security (BIS) regulations to implement export control reform (78 Fed. Reg. 22,660).	On May 17, 2013, Chairmen Graves and Tipton wrote a letter to BIS Under Secretary Hirschhorn to inquire about outreach to small firms in writing rules to update the export administration regulations, as well as efforts to coordinate with other agencies and the timelines that may affect small business compliance.

Regulation, order, administrative action	Oversight and legislative activity
Departments of Labor and Homeland Security rules to change the prevailing wage calculation methodology for the H-2B program (76 Fed. Reg. 3452, 78 Fed. Reg. 24,047).	The Subcommittee on Economic Growth, Tax and Capital Access held a hearing on June 12, 2013, to determine the impact of H-2B visa policy on the employment practices of small businesses in the tourism industry.
Office of Management and Budget (OMB) memorandum, dated December 5, 2012, to the heads of executive departments and agencies regarding revisions to the Federal Strategic Sourcing Initiative.	On June 13, 2013, the Subcommittee on Contracting and Workforce held a hearing to determine the effect of the use of strategic sourcing on small businesses and competition in government procurement.
Food and Drug Administration (FDA) draft guidance on the regulation of mobile medical applications (apps) published July 21, 2011, and Department of Treasury rule implementing the tax on medical devices (77 Fed. Reg. 72,924).	The Subcommittee on Health and Technology held a hearing on June 27, 2013 regarding the challenges facing mobile medical app entrepreneurs, specifically related to regulatory burdens.
Department of Labor (DOL) guidance letter and all agency memorandum (AMA) No. 212 applying the Davis Bacon Act to survey technicians.	Chairman Graves joined Committee on Education and Workforce Chairman Kline and Subcommittee Chairman Walberg in signing a letter on July 11, 2013 to Acting Deputy Administrator Maxwell at DOL's Wage and Hour Division regarding changes to longstanding policies affecting survey crews and requesting documents related to the decision.
The President's Climate Action Plan, published June 2013, directing the Environmental Protection Agency to expeditiously complete carbon pollution standards for new and existing power plants.	On July 18, 2013, the Subcommittee on Agriculture, Energy and Trade held a hearing on the President's Climate Action Plan to determine its effect on small businesses.
Environmental Protection Agency (EPA) revisions to requirements for the underground storage tank program (76 Fed. Reg. 71,708).	On August 1, 2013, Chairman Graves sent a letter to EPA Administrator McCarthy asking that the rule be withdrawn, a Small Business Advocacy Review panel be convened, and an initial regulatory flexibility analysis prepared.
IRS 1099 Third Party Reporting Notices to implement 28 U.S.C. § 6050W.	On August 9, 2013, Chairman Graves sent a letter to IRS Commissioner for Small Business and Self-Employed expressing concerns related to the notices small businesses received informing them of potential underreporting of income. The Committee staff also held a meeting with IRS officials on the matter (November 18, 2013).
SBA proposed changes to the Entrepreneurial Development Information System (EDMIS) customer intake form, commonly referred to as Form 641.	Chairman Graves sent a letter to the SBA on September 5, 2013, expressing his concerns with the additional burdens the new form would impose on small businesses.
Application of IRS business aggregation rules under the Patient Protection and Affordable Care Act (P.L. 111-148).	On September 6, 2013, Chairman Graves sent a letter to the IRS Acting Commissioner Werfel asking for guidance on how the business aggregation rules will apply under the health care law since they affect the ability of small businesses to comply with the employer mandate among other provisions.
The issuance of size standards by the SBA in compliance with the Small Business Jobs Act of 2010 (P.L. 111-240) and the NDAA (P.L. 112-239).	On September 12, 2013, Chairman Hanna convened a roundtable with SBA participants and members of the Subcommittee to discuss the SBA's size standards program, including implementation of recent legislative changes.
Occupational Health and Safety Administration (OSHA) proposed rule on worker exposure to crystalline silica (78 Fed. Reg. 56,274).	On October 24, 2013, Chairman Graves sent a letter to the DOL Assistant Secretary for Occupational Safety and Health requesting that the public comment period be extended to give adequate time for small businesses to digest and provide input on the rule. Subsequently, the comment period was extended by 47 days.
Federal Motor Carrier Safety Administration (FMSCA) final rule on hours of service regulations (76 Fed. Reg. 81,134).	On November 21, 2013, the Subcommittee on Contracting and Workforce held a hearing to examine the regulatory burden on independent truckers, small trucking businesses and related industries under the new standards created by FMSCA's final rule on hours of service.

Regulation, order, administrative action	Oversight and legislative activity
Agency use of “reverse auctions” in the procurement of goods and services, including the Department of Veterans Affairs guidance on the practice, titled “Updated Policy and Procedures for Using Reverse Auctions” (VAIQ 7220215).	On December 11, 2013, the Subcommittee on Contracting and Workforce held a joint hearing with the Committee on Veterans’ Affairs Subcommittee on Oversight and Investigations to examine the consequences of utilizing reverse auctions on cost and competition in the federal acquisition marketplace. Chairman Hanna introduced legislation (H.R. 2751) to limit the use of reverse auctions.
Securities and Exchange Commission (SEC) proposed rule on crowdfunding (78 Fed. Reg. 66,428).	The Subcommittee on Investigations, Oversight and Regulations held a hearing on January 16, 2014 on whether the SEC’s proposed rule on crowdfunding would work for small businesses. On February 3, 2014, Chairman Graves sent a letter to the SEC commenting on the proposed rule.
Department of Health and Human Services (HHS) implementation of the Small Business Health Options Program (SHOP) created by the Affordable Care Act (P.L. 111–148) (78 Fed. Reg. 15,553).	Chairman Graves sent a letter on January 30, 2014 to the Secretary of HHS asking for enrollment data indicating participation in the SHOs. On June 3, 2014, Chairman Graves sent a letter to the Administrator of the Centers for Medicare and Medicaid Services again requesting enrollment data. On September 18, 2014, the Subcommittee on Health and Technology held a hearing on status of the SHOs. The Committee also requested that the Government Accountability Office investigate operation of the SHOs, and that report was released on November 13, 2014.
Small Business Administration (SBA) request to fund unauthorized programs (United States Small Business Administration FY 2015 Congressional Budget Justification).	On February 21, 2014, Chairman Graves and Ranking Member Velazquez sent a letter to the acting SBA Administrator asking for information about several unauthorized programs the agency initiated that potentially duplicate and divert resources from congressionally authorized entrepreneurial development programs. The Committee held a hearing on April 30, 2014 regarding the initiatives created by the SBA. On May 30, 2014, Chairman Graves wrote to the SBA Administrator following up on the hearing and asking several questions about the programs’ operations.
SBA franchise registry process	On March 7, 2014, Chairman Graves sent a letter to the acting SBA Administrator requesting additional information concerning the processes the agency uses to review eligibility of franchisees to obtain SBA-guaranteed loans. In response, the SBA agreed to issue requests for comments on the entire SBA franchise review process.
Internal Revenue Service (IRS) implementation of 1099 third party reporting requirements related to credit card transactions (28 U.S.C. 6050W).	Chairman Graves sent a letter on March 4, 2014 to the IRS expressing concerns about IRS communications to small businesses related to compliance with the 6050W 1099 reporting requirements.
SBA proposed changes to regulations on the use and disclosure of information collected by SBA resource partners (79 Fed. Reg. 19,544).	Chairman Graves sent a letter on April 24, 2014 to the SBA Administrator asking for documentation related to agency decision making to support its change in policy. On June 9, 2014, the Committee sent comments on the proposed rule.
Agency implementation of changes to the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) program in the reauthorization legislation contained in the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112–81).	The Committee held two hearings on May 21, 2014 and July 23, 2014 to examine the progress of agencies in implementing the changes contained in the SBIR/STTR reauthorization passed in 2011.
Environmental Protection Agency (EPA) and United States Army Corps of Engineers (Corps) definition of “waters of the United States” (79 Fed. Reg. 22,188).	The Committee held a hearing on May 29, 2014 on the impact of the proposed rule to change and expand the definition of “waters of the United States.” On May 23, 2014, Chairman Graves, along with several members of the Committee, sent a letter to the EPA Administrator and to the Corps regarding the agencies compliance with the Regulatory Flexibility Act (RFA). On November 14, 2014, the Committee sent a comment letter on the proposed rule asking again for it to be withdrawn and that the agencies comply with the RFA.

Regulation, order, administrative action	Oversight and legislative activity
Implementation of the Federal Aviation Administration's (FAA) Automatic Dependent Surveillance Broadcast Out (ADS-B) performance requirements to support air traffic control service (75 Fed. Reg. 30,160).	The Committee held a hearing on June 11, 2014 regarding the benefits and challenges for the general aviation community in complying with the FAA's "2020 NextGen Mandate." On July 29, 2014, Chairman Graves sent a letter to the FAA Administrator to follow up on the hearing and Members' concerns.
Department of Labor (DOL) effort to extend the Davis-Bacon Act to survey technicians by issuing guidance rather than by rulemaking (Wage and Hour Division AAM No. 212, March 22, 2013).	Chairman Graves joined Committee on Education and Workforce Chairman Kline and Subcommittee Chairman Walberg in sending a letter on July 11, 2014 to the DOL asking for the withdrawal of the memorandum and guidance letter.
SBA and Federal Acquisition Regulatory (FAR) Council implementation of changes to procurement laws enacted as part of the National Defense Authorization Act for Fiscal Year 2013, including associated rule making deadlines (P.L. 112-239).	The Subcommittee on Contracting and Workforce held a hearing on July 15, 2014 to examine agency implementation of contracting reforms in the National Defense Authorization Act for Fiscal Year 2013.
EPA compliance with the RFA in promulgating certain regulations (79 Fed. Reg. 1,430; 79 Fed. Reg. 22,188).	The Committee held a hearing on July 30, 2014 to examine whether EPA is appropriately analyzing the effect of its policies on small businesses, including new standards regulating carbon pollution standards/greenhouse gas emissions and the scope of the Clean Water Act.
FAR Council's implementation of a policy limiting contract awards to companies with labor law violations (E.O. 13,673; 79 Fed. Reg. 45,309).	Chairman Graves sent a letter on September 16, 2014 to members of the FAR Council employed by the Office of Federal Procurement Policy, the Department of Defense and the National Aeronautics and Space Administration regarding the concerns of small businesses potentially affected by a new policy related to contractors with labor law violations. Chairman Graves also sent a letter on September 16, 2014 to the Secretary of DOL asking for information related to implementation of the policy.
The Federal Communications Commission (FCC) proposed rule on protecting and promoting the open Internet (29 FCC Rcd 5581, May 15, 2014).	The Committee held a hearing on September 17, 2014 related to the FCC's consideration of the needs of and impact on small businesses when making policy decisions, including providing access to an "open Internet."
IRS forms (8962, 8965) to implement the Affordable Care Act (ACA) (P.L. 112-148).	Chairman Graves sent a letter on October 8, 2014 to the IRS Commissioner commenting on the complexity of the forms and lack of guidance on compliance with ACA requirements.
Environmental Protection Agency regulation of emissions for brick manufacturers (RIN 2060-AP69).	On October 31, 2014, Chairman Graves sent a letter to the Office of Information and Regulatory Affairs to ask for consideration of the emissions rule for compliance with the RFA and Executive Order 12,866.
SBA, Department of Defense (DOD), and General Services Administration (GSA) implementation of contracting reforms signed into law as part of the National Defense Authorization Act for Fiscal Year 2014 (P.L. 113-66).	Chairman Graves sent a letter on November 3, 2014 to the heads of DOD, SBA and GSA regarding missed deadlines for implementing provisions of the FY14 NDAA, including the promulgation of regulations.
SBA's determination of industry size standards (79 Fed. Reg. 53,646).	The Committee sent a letter to the SBA, on November 10, 2014, commenting on regulations to modify size standards for 30 industries and 3 sub-industries.