

107TH CONGRESS  
1ST SESSION

# H. R. 203

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

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. SWEENEY introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Small Busi-  
5 ness Regulatory Assistance Act of 2001”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to establish a pilot pro-  
8 gram to—

1           (1) provide confidential assistance to small  
2 business concerns;

3           (2) provide small business concerns with the in-  
4 formation necessary to improve their rate of compli-  
5 ance with Federal regulations;

6           (3) create a partnership among Federal agen-  
7 cies to increase outreach efforts to small business  
8 concerns with respect to regulatory compliance;

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

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

16 **SEC. 3. DEFINITIONS.**

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

20 **SEC. 4. SMALL BUSINESS REGULATORY ASSISTANCE PILOT**  
21 **PROGRAM.**

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

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

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

3   **“SEC. 36. SMALL BUSINESS REGULATORY ASSISTANCE**  
4                   **PILOT PROGRAM.**

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

7                   “(1) ADMINISTRATOR.—The term ‘Adminis-  
8                   trator’ means the Administrator of the Small Busi-  
9                   ness Administration.

10                   “(2) ASSOCIATION.—The term ‘Association’  
11                   means the association, established pursuant to sec-  
12                   tion 21(a)(3)(A), representing a majority of Small  
13                   Business Development Centers.

14                   “(3) PARTICIPATING SMALL BUSINESS DEVEL-  
15                   OPMENT CENTER.—The term ‘participating Small  
16                   Business Development Center’ means a Small Busi-  
17                   ness Development Center participating in the pilot  
18                   program.

19                   “(4) PILOT PROGRAM.—The term ‘pilot pro-  
20                   gram’ means the pilot program established under  
21                   this section.

22                   “(5) REGULATORY COMPLIANCE ASSISTANCE.—  
23                   The term ‘regulatory compliance assistance’ means  
24                   assistance provided by a Small Business Develop-  
25                   ment Center to a small business concern to enable

1 the concern to comply with Federal regulatory re-  
2 quirements.

3 “(6) SMALL BUSINESS DEVELOPMENT CEN-  
4 TER.—The term ‘Small Business Development Cen-  
5 ter’ means a Small Business Development Center  
6 described in section 21.

7 “(7) STATE.—The term ‘State’ means each of  
8 the several States, the District of Columbia, the  
9 Commonwealth of Puerto Rico, the Virgin Islands,  
10 and Guam.

11 “(b) AUTHORITY.—In accordance with this section,  
12 the Administrator shall establish a pilot program to pro-  
13 vide regulatory compliance assistance to small business  
14 concerns through participating Small Business Develop-  
15 ment Centers, the Association, and Federal compliance  
16 partnership programs.

17 “(c) SMALL BUSINESS DEVELOPMENT CENTERS.—

18 “(1) IN GENERAL.—In carrying out the pilot  
19 program, the Administrator shall enter into arrange-  
20 ments with participating Small Business Develop-  
21 ment Centers under which such centers will  
22 provide—

23 “(A) access to information and resources,  
24 including current Federal and State nonpuni-  
25 tive compliance and technical assistance pro-

1           grams similar to those established under section  
2           507 of the Clean Air Act Amendments of 1990;

3           “(B) training and educational activities;

4           “(C) confidential, free-of-charge, one-on-  
5           one, in-depth counseling to the owners and op-  
6           erators of small business concerns regarding  
7           compliance with Federal regulations, provided  
8           that such counseling is not considered to be the  
9           practice of law in a State in which a Small  
10          Business Development Center is located or in  
11          which such counseling is conducted;

12          “(D) technical assistance; and

13          “(E) referrals to experts and other pro-  
14          viders of compliance assistance.

15          “(2) REPORTS.—

16                 “(A) IN GENERAL.—Each participating  
17                 Small Business Development Center shall trans-  
18                 mit to the Administrator a quarterly report that  
19                 includes—

20                         “(i) a summary of the regulatory com-  
21                         pliance assistance provided by the center  
22                         under the pilot program; and

23                         “(ii) any data and information ob-  
24                         tained by the center from a Federal agency  
25                         regarding regulatory compliance that the

1           agency intends to be disseminated to small  
2           business concerns.

3           “(B) ELECTRONIC FORM.—Each report re-  
4           ferred to in subparagraph (A) shall be trans-  
5           mitted in electronic form.

6           “(C) INTERIM REPORTS.—During any time  
7           period falling between the transmittal of quar-  
8           terly reports, a participating Small Business  
9           Development Center may transmit to the Ad-  
10          ministrator any interim report containing data  
11          or information considered by the center to be  
12          necessary or useful.

13          “(D) LIMITATION ON DISCLOSURE RE-  
14          QUIREMENTS.—The Administrator may not re-  
15          quire a Small Business Development Center to  
16          disclose the name or address of any small busi-  
17          ness concern that received or is receiving assist-  
18          ance under the pilot program, except that the  
19          Administrator shall require such a disclosure if  
20          ordered to do so by a court in any civil or  
21          criminal enforcement action commenced by a  
22          Federal or State agency.

23          “(d) DATA REPOSITORY AND CLEARINGHOUSE.—

24                 “(1) IN GENERAL.—In carrying out the pilot  
25          program, the Administrator, acting through the of-

1        fice of the Associate Administrator for Small Busi-  
2        ness Development Centers, shall—

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

6                “(B) transmit to the President and to the  
7                Committees on Small Business of the Senate  
8                and House of Representatives an annual report  
9                that includes—

10                    “(i) a description of the types of as-  
11                    sistance provided by participating Small  
12                    Business Development Centers under the  
13                    pilot program;

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

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

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

1           ters under the pilot program, including any  
2           activities conducted in partnership with  
3           Federal agencies;

4           “(v) data and information regarding  
5           each case known to the Administrator in  
6           which one or more Small Business Devel-  
7           opment Centers offered conflicting advice  
8           or information regarding compliance with a  
9           Federal regulation to one or more small  
10          business concerns; and

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

14          “(e) ELIGIBILITY.—

15                 “(1) IN GENERAL.—A Small Business Develop-  
16                 ment Center shall be eligible to receive assistance  
17                 under the pilot program only if the center is certified  
18                 under section 21(k)(2).

19                 “(2) WAIVER.—With respect to a Small Busi-  
20                 ness Development Center seeking assistance under  
21                 the pilot program, the Administrator may waive the  
22                 certification requirement set forth in paragraph (1)  
23                 if the Administrator determines that the center is  
24                 making a good faith effort to obtain such certifi-  
25                 cation.

1           “(3) EFFECTIVE DATE.—This subsection shall  
2 take effect on October 1, 2000.

3           “(f) SELECTION OF PARTICIPATING CENTERS.—

4           “(1) IN GENERAL.—In consultation with the  
5 Association and giving substantial weight to the As-  
6 sociation’s recommendations, the Administrator shall  
7 select two Small Business Development Centers  
8 from each of the following groups of States to par-  
9 ticipate in the pilot program, except that the Admin-  
10 istrator may not select two Small Business Develop-  
11 ment Centers from the same State:

12                   “(A) Group 1: Maine, Massachusetts, New  
13 Hampshire, Connecticut, Vermont, and Rhode  
14 Island.

15                   “(B) Group 2: New York, New Jersey,  
16 Puerto Rico, and the Virgin Islands.

17                   “(C) Group 3: Pennsylvania, Maryland,  
18 West Virginia, Virginia, the District of Colum-  
19 bia, and Delaware.

20                   “(D) Group 4: Georgia, Alabama, North  
21 Carolina, South Carolina, Mississippi, Florida,  
22 Kentucky, and Tennessee.

23                   “(E) Group 5: Illinois, Ohio, Michigan, In-  
24 diana, Wisconsin, and Minnesota.

1           “(F) Group 6: Texas, New Mexico, Arkan-  
2           sas, Oklahoma, and Louisiana.

3           “(G) Group 7: Missouri, Iowa, Nebraska,  
4           and Kansas.

5           “(H) Group 8: Colorado, Wyoming, North  
6           Dakota, South Dakota, Montana, and Utah.

7           “(I) Group 9: California, Guam, Hawaii,  
8           Nevada, and Arizona.

9           “(J) Group 10: Washington, Alaska,  
10          Idaho, and Oregon.

11          “(2) DEADLINE FOR SELECTION.—The Admin-  
12          istrator shall make selections under this subsection  
13          not later than 60 days after promulgation of regula-  
14          tions under section 4.

15          “(g) MATCHING NOT REQUIRED.—Subparagraphs  
16          (A) and (B) of section 21(a)(4) shall not apply to assist-  
17          ance made available under the pilot program.

18          “(h) EVALUATION AND REPORT.—Not later than 3  
19          years after the establishment of the pilot program, the  
20          Comptroller General of the United States shall conduct  
21          an evaluation of the pilot program and shall transmit to  
22          the Administrator and to the Committees on Small Busi-  
23          ness of the Senate and House of Representatives a report  
24          containing the results of the evaluation along with any rec-  
25          ommendations as to whether the pilot program, with or

1 without modification, should be extended to include the  
2 participation of all Small Business Development Centers.

3 “(i) **LIMITATION ON USE OF FUNDS.**—The Adminis-  
4 trator may carry out the pilot program only with amounts  
5 appropriated in advance specifically to carry out this sec-  
6 tion.”.

7 **SEC. 5. PROMULGATION OF REGULATIONS.**

8 After providing notice and an opportunity for com-  
9 ment and after consulting with the Association (but not  
10 later than 180 days after the date of the enactment of  
11 this Act), the Administrator shall promulgate final regula-  
12 tions to carry out this Act, including regulations that  
13 establish—

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

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

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

22 (4) standards relating to any work plan that  
23 the Administrator may require a participating Small  
24 Business Development Center to develop.

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