

106TH CONGRESS  
1ST SESSION

# H. R. 296

To provide regulatory relief for small business concerns, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mr. SWEENEY introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide regulatory relief for 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 1999”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to establish a system of  
8 confidential voluntary compliance with Federal regulations  
9 that will—

1           (1) provide a low-cost process to significantly  
2 improve voluntary compliance by small business con-  
3 cerns with Federal regulations;

4           (2) improve the level of outreach to the small  
5 business community and reduce duplication of effort  
6 among Federal agencies;

7           (3) be funded without additional appropriations;

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

11           (5) partner nonpunitive compliance assistance  
12 programs with the small business development cen-  
13 ter service delivery network in order to improve ac-  
14 cess to and utilization of these programs by the  
15 small business community.

16 **SEC. 3. ESTABLISHMENT OF PROGRAM.**

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

19           (1) by redesignating section 32 as section 33;

20       and

21           (2) by inserting after section 31 the following  
22 new section:

23 **“SEC. 32. SMALL BUSINESS REGULATORY RELIEF.**

24       “(a) DEFINITIONS.—For purposes of this section—

25           “(1) the term ‘participating agency’ means—

1           “(A) the Environmental Protection Agen-  
2           cy;

3           “(B) the Internal Revenue Service of the  
4           Department of the Treasury; and

5           “(C) the Department of Labor;

6           “(2) the term ‘small business development cen-  
7           ter’ means a small business development center es-  
8           tablished pursuant to section 21;

9           “(3) the term ‘system of voluntary compliance’  
10          means the system under which small business devel-  
11          opment centers or consortia of small business devel-  
12          opment centers provide confidential assistance to one  
13          or more small business concerns in achieving vol-  
14          untary compliance with regulatory requirements im-  
15          posed on small business concerns by a participating  
16          agency; and

17          “(4) the term ‘compliance assistance plan’  
18          means a five year plan jointly developed and annu-  
19          ally revised by each participating agency, the Office  
20          of Small Business Development Centers for the  
21          Small Business Administration, and representatives  
22          of an association representing a majority of small  
23          business development centers for the establishment  
24          and maintenance of a system of voluntary compli-  
25          ance.

1 “(b) DUTIES OF PARTICIPATING AGENCIES.—

2 “(1) COMPLIANCE ASSISTANCE PLAN.—Not  
3 later than 90 days after the date of enactment of  
4 this Act and annually thereafter, each participating  
5 agency, the Office of Small Business Development  
6 Centers of the Small Business Administration, and  
7 representatives of an association representing a ma-  
8 jority of small business development centers shall  
9 agree to a compliance assistance plan.

10 “(2) CONTENTS OF COMPLIANCE ASSISTANCE  
11 PLAN.—Each compliance assistance plan agreed to  
12 under paragraph (1) shall include—

13 “(A) regulatory compliance objectives of  
14 the participating agency;

15 “(B) regulatory compliance priorities of  
16 the participating agency;

17 “(C) identification of the types of services,  
18 materials, and resources to be developed or  
19 used by the participating agency;

20 “(D) identification of participating agency  
21 facilities, expertise, and other resources that  
22 may be accessed by the Office of Small Busi-  
23 ness Development Centers of the Small Busi-  
24 ness Administration, a small business develop-  
25 ment center, or a small business concern par-

1            participating in the system of voluntary compliance  
2            established under this section; and

3            “(E) performance outcome measures and  
4            evaluation criteria to be used by the participat-  
5            ing agency in evaluating the effectiveness of the  
6            system of voluntary compliance to be estab-  
7            lished under this section.

8            “(3) DUPLICATION OF EFFORT.—In carrying  
9            out this subsection, each participating agency shall,  
10           to the maximum extent practicable, ensure that the  
11           participating agencies do not duplicate efforts.

12           “(4) ENFORCEMENT.—The participating agen-  
13           cy, the Department of Justice, or any other Federal  
14           agency shall consider a small business concern par-  
15           ticipating in the system of voluntary compliance in  
16           full compliance, if the small business concern fulfills  
17           the regulatory compliance objectives and priorities  
18           established in the compliance assistance plans sub-  
19           mitted under subsection (b)(1).

20           “(c) DUTIES OF THE OFFICE OF SMALL BUSINESS  
21           DEVELOPMENT CENTERS.—

22           “(1) IMPLEMENTATION AND ADMINISTRATION  
23           OF COMPLIANCE ASSISTANCE PLANS.—

24           “(A) IN GENERAL.—Based on each compli-  
25           ance assistance plan agreed to under subsection

1 (b)(1), not later than 180 days after the date  
2 of enactment of this Act, the Office of Small  
3 Business Development Centers, with the agree-  
4 ment of an association representing the major-  
5 ity of small business development centers, shall  
6 develop and publish guidelines for the establish-  
7 ment by small business development centers or  
8 consortia of small business development centers  
9 of a system of voluntary compliance in accord-  
10 ance with this section.

11 “(B) GUIDELINE REQUIREMENTS.—The  
12 guidelines published under subparagraph (A)  
13 shall—

14 “(i) establish priorities for the types  
15 of assistance to be provided to small busi-  
16 ness concerns under the system of vol-  
17 untary compliance established by small  
18 business development centers or consortia  
19 of small business development centers  
20 under this section; and

21 “(ii) establish standards relating to  
22 educational, technical, and support services  
23 required by small business development  
24 centers or consortia of small business de-

1                   velopment centers to provide a system of  
2                   voluntary compliance.

3                   “(C) PROGRAM DELIVERY.—The guidelines  
4                   established under subparagraph (A) shall—

5                   “(i) require that the assistance to  
6                   small business concerns participating in  
7                   the system of voluntary compliance under  
8                   this section be carried out by small busi-  
9                   ness development centers or by consortia of  
10                  small business development centers who  
11                  shall, to the maximum extent practicable,  
12                  access other existing Federal and State  
13                  non-punitive, compliance and technical as-  
14                  sistance programs, including, but not lim-  
15                  ited to, the technical and environmental  
16                  compliance assistance programs established  
17                  under section 507 of the Clean Air Act  
18                  Amendments of 1990; and

19                  “(ii) provide that certain national  
20                  service delivery support requirements be  
21                  carried out under contract with an associa-  
22                  tion representing the majority of small  
23                  business development centers.

24                  “(D) ISSUANCE OF GRANT.—Not later  
25                  than 150 days after the submission of work

1 plans under subsection (d)(1), the Office of  
2 Small Business Development Centers shall issue  
3 a grant to each small business development cen-  
4 ter or each consortium of small business devel-  
5 opment centers to carry out the system of vol-  
6 untary compliance.

7 “(d) DUTIES OF SMALL BUSINESS DEVELOPMENT  
8 CENTERS.—

9 “(1) WORK PLAN.—Beginning not later than  
10 60 days after the date on which the guidelines are  
11 published by the Office of Small Business Develop-  
12 ment Centers under subsection (c)(1)(A), each small  
13 business development center or consortium of small  
14 business development centers shall, on an annual  
15 basis, submit to the Office of Small Business Devel-  
16 opment Centers a work plan under which the small  
17 business development center will carry out the sys-  
18 tem of voluntary compliance in accordance with such  
19 guidelines.

20 “(2) ASSISTANCE PROVIDED.—The assistance  
21 to small business concerns participating in the sys-  
22 tem of voluntary compliance shall include—

23 “(A) access to information and resources;

24 “(B) training and educational activities;

1           “(C) confidential, free-of-charge, one-on-  
2 one in-depth counseling; and

3           “(D) technical assistance.

4           “(3) REPORTS; RECOMMENDATIONS.—

5           “(A) Each small business development cen-  
6 ter and consortium of small business develop-  
7 ment centers shall, on an annual basis, submit  
8 to the Office of Small Business Development  
9 Centers of the Small Business Administration a  
10 report on the assistance provided by the small  
11 business development center or consortia estab-  
12 lished under the system of voluntary compliance  
13 established under this section.

14           “(B) No small business development cen-  
15 ter, consortium of small business development  
16 centers, or any person relied on by any such  
17 small business development center shall be re-  
18 quired to provide services or to disclose the  
19 name or address of any small business concern  
20 participating in a system of voluntary compli-  
21 ance under this section.

22           “(C) Subparagraph (B) shall not be con-  
23 strued to prevent the Office of Inspector Gen-  
24 eral of the Administration from auditing a  
25 small business development center, consortium

1 of small business development centers, or any  
2 person relied on by any such small business de-  
3 velopment center.

4 “(e) EVALUATIONS.—

5 “(1) ANNUAL REPORT.—The Office of Small  
6 Business Development Centers of the Small Busi-  
7 ness Administration shall, on an annual basis, sub-  
8 mit to the President and to the Committees on  
9 Small Business of the Senate and the House of Rep-  
10 resentatives a report, which shall include—

11 “(A) a description of the types of assist-  
12 ance provided by small business development  
13 centers and consortia of small business develop-  
14 ment centers to small business concerns partici-  
15 pating in the system of voluntary compliance;

16 “(B) the level of outreach to small business  
17 concerns achieved by small business develop-  
18 ment centers and consortia of small business  
19 development centers under this section; and

20 “(C) recommendations for improvements in  
21 the regulation of small business concerns par-  
22 ticipating in the system of voluntary compli-  
23 ance.

24 “(2) INDEPENDENT NATIONAL ASSESSMENT.—

25 Upon the expiration of the three-year period begin-

1       ning on the date on which the majority of small  
2       business development centers and consortia of small  
3       business development centers have received grants to  
4       begin implementation of the work plans described  
5       under subsection (d)(1), the Council shall provide  
6       for an evaluation of the system of voluntary compli-  
7       ance established under this section by an independ-  
8       ent third party which shall be submitted to the  
9       President and to the Committees on Small Business  
10      of the Senate and House of Representatives.

11      “(f) FUNDING.—

12              “(1) IN GENERAL.—To assist the Office of  
13      Small Business Development Centers of the Small  
14      Business Administration in fostering, promoting, de-  
15      veloping, and carrying out the system of voluntary  
16      compliance under this section—

17                      “(A) of the total amount provided to the  
18      Department of Labor—

19                              “(i) not less than 0.10 percent shall  
20                              be made available for obligation and ex-  
21                              penditure by the Office of Small Business  
22                              Development Centers of the Small Busi-  
23                              ness Administration for the implementa-  
24                              tion and administration of the worker safe-

1 ty and health compliance assistance plans  
2 in fiscal year 2000;

3 “(ii) not less than 0.14 percent shall  
4 be made available for obligation and ex-  
5 penditure by the Office of Small Business  
6 Development Centers of the Small Busi-  
7 ness Administration for the implementa-  
8 tion and administration of the worker safe-  
9 ty and health compliance assistance plans  
10 in fiscal year 2001;

11 “(iii) not less than 0.18 percent shall  
12 be made available for obligation and ex-  
13 penditure by the Office of Small Business  
14 Development Centers of the Small Busi-  
15 ness Administration for the implementa-  
16 tion and administration of the worker safe-  
17 ty and health compliance assistance plans  
18 in fiscal year 2002; and

19 “(iv) not less than 0.22 percent shall  
20 be made available for obligation and ex-  
21 penditure by the Office of Small Business  
22 Development Centers of the Small Busi-  
23 ness Administration for the implementa-  
24 tion and administration of the worker safe-  
25 ty and health compliance assistance plans

1 in each of the fiscal years 2003 and 2004;  
2 and

3 “(B) of the total amount provided to the  
4 Environmental Protection Agency—

5 “(i) not less than 0.20 percent shall  
6 be made available for obligation and ex-  
7 penditure by the Office of Small Business  
8 Development Centers of the Small Busi-  
9 ness Administration for the implementa-  
10 tion and administration of the compliance  
11 assistance plans in fiscal year 2000;

12 “(ii) not less than 0.24 percent shall  
13 be made available for obligation and ex-  
14 penditure by the Office of Small Business  
15 Development Centers of the Small Busi-  
16 ness Administration for the implementa-  
17 tion and administration of the compliance  
18 assistance plans in fiscal year 2001;

19 “(iii) not less than 0.29 percent shall  
20 be made available for obligation and ex-  
21 penditure by the Office of Small Business  
22 Development Centers of the Small Busi-  
23 ness Administration for the implementa-  
24 tion and administration of the compliance  
25 assistance plans in fiscal year 2002; and

1           “(iv) not less than 0.35 percent shall  
2           be made available for obligation and ex-  
3           penditure by the Office of Small Business  
4           Development Centers of the Small Busi-  
5           ness Administration for the implementa-  
6           tion and administration of the compliance  
7           assistance plans in fiscal year 2003; and

8           “(C) of the total amount provided to the  
9           Internal Revenue Service of the Department of  
10          the Treasury—

11           “(i) not less than 0.25 percent shall  
12           be made available for obligation and ex-  
13           penditure by the Office of Small Business  
14           Development Centers of the Small Busi-  
15           ness Administration for the implementa-  
16           tion and administration of the compliance  
17           assistance plans in fiscal year 2000;

18           “(ii) not less than 0.31 percent shall  
19           be made available for obligation and ex-  
20           penditure by the Office of Small Business  
21           Development Centers of the Small Busi-  
22           ness Administration for the implementa-  
23           tion and administration of the compliance  
24           assistance plans in fiscal year 2001;

1           “(iii) not less than 0.39 percent shall  
2           be made available for obligation and ex-  
3           penditure by the Office of Small Business  
4           Development Centers of the Small Busi-  
5           ness Administration for the implementa-  
6           tion and administration of the compliance  
7           assistance plans in fiscal year 2002; and

8           “(iv) not less than 0.49 percent shall  
9           be made available for obligation and ex-  
10          penditure by the Office of Small Business  
11          Development Centers of the Small Busi-  
12          ness Administration for the implementa-  
13          tion and administration of the compliance  
14          assistance plans in each of the fiscal years  
15          2003 and 2004.

16          “(2) DISTRIBUTION OF ASSISTANCE.—

17                 “(A) IN GENERAL.—Amounts made avail-  
18                 able for the system of voluntary compliance  
19                 under paragraph (1) shall be distributed by the  
20                 Office of Small Business Development Centers  
21                 to the network of small business development  
22                 centers in each State or in each consortium in  
23                 accordance with subparagraphs (B), (C), and  
24                 (D).

1           “(B) POPULATION BASED FUNDING FOR-  
2 MULA.—The network of small business develop-  
3 ment centers in each State shall receive a dis-  
4 tribution under subparagraph (A) that is equal  
5 to the sum of—

6                   “(i) the pro rata share of the State of  
7 the total amount distributed by the Office  
8 of Small Business Development Centers  
9 under subparagraph (A), based upon the  
10 population of the State as compared to the  
11 total population in the United States, as  
12 determined by the Office of Small Business  
13 Development Centers; and

14                   “(ii) \$300,000 for each participating  
15 State.

16           “(C) EXEMPTION FROM MATCHING RE-  
17 QUIREMENT.—Funds provided under this sec-  
18 tion shall not be subject to the matching funds  
19 or eligibility requirements of section 21(a)(4).

20           “(D) CERTIFICATION REQUIREMENT.—  
21 After September 30, 2000, the Office of Small  
22 Business Development Centers may not provide  
23 any funds under this section to a small business  
24 development center or a consortium of small  
25 business development centers unless the center

1 has, or centers within the consortium have,  
2 been approved under the certification program  
3 conducted pursuant to section (21)(k)(2), ex-  
4 cept that the Associate Administrator for Small  
5 Business Development Centers may waive such  
6 certification requirement, in the discretion of  
7 the Associate Administrator, upon showing that  
8 the center is making a good faith effort to ob-  
9 tain certification.

10 “(E) ADMINISTRATIVE COSTS.— Not more  
11 than 2 percent of the amounts made available  
12 for the system of voluntary compliance under  
13 subsection (f) shall be used by the Office of  
14 Small Business Development Centers for ad-  
15 ministration, evaluation, and reporting costs.”.

○