

**AUTHORIZATION AND OVERSIGHT PLAN OF THE COMMITTEE ON SMALL BUSINESS FOR  
THE  
ONE HUNDRED FIFTEENTH CONGRESS**

Mr. Chabot, from the Committee on Small Business, submitted to the Committee on Oversight and Government Reform, the Committee on House Administration and the Committee on Appropriations the following

**REPORT**

Rule X, cl. 2(d)(1) of the Rules of the House requires each standing Committee to adopt an authorization and 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X, cl. 2(d)(1)(F), this Plan also includes proposals to cut or eliminate programs that are inefficient, duplicative, outdated, or more appropriately administered by State or local governments.

House Rule X, cl. 2(d)(2) requires that committee oversight plans include a list of programs or agencies within each committee's jurisdiction with lapsed authorizations that received funding in the prior fiscal year, or a program or agency with a permanent authorization which has not been subject to review by the Committee in the prior three Congresses. The Committee has found no Small Business Administration (SBA) programs that fit these parameters. Rule X, cl. 2(d)(2) also requires a description of the programs or agencies to be authorized in the current Congress or the next Congress, and any oversight to support the authorization of those programs or agencies, and recommendations for moving such programs or agencies from mandatory funding to discretionary appropriations where appropriate. The Committee may consider reforms and improvements to various SBA programs as noted throughout this Authorization and Oversight Plan, including the need for SBA to create appropriate metrics to measure efficacy.

Oversight of Federal Capital Access Programs

The Committee will conduct hearings and investigations of 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.
- 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.
- Whether SBA rules, regulations and guidance result in transparent and reasoned decision making with respect to capital access programs.
- Assessment of credit-scoring algorithms as a replacement for individual credit assessment by SBA and its lending partners.
- 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 and 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.
- Continued examination 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 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, including programs for veterans, in creating jobs at startups and traditional firms.
- 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, including developments in renewable energy.
- Recommending improvements in assistance to small businesses in rural areas, including those involved in agriculture, forestry, and energy production.

### 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 programs.
- 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 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 Acts for FYs 2012-2016.
- 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.
- Agency personnel capabilities to properly manage loan defaults to maximize recovery of collateral.

- Whether SBA improperly utilizes statutory authority to create untested initiatives and the procedures by which the agency develops such programs.

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 titled "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:

- Consumer Financial Protection Bureau.
- Consumer Safety Products Commission.
- Department of Agriculture.
- Department of Commerce.
- Department of Energy, particularly the Office of Energy Efficiency and Renewable Energy.
- Department of Health and Human Services, particularly the Centers for Medicare and Medicaid Services and Food and Drug Administration.
- Department of Interior, particularly the Bureau of Land Management and Fish and Wildlife Service.
- Department of Homeland Security, particularly the Transportation Security Administration.
- Department of Labor, particularly the Occupational Safety and Health Administration and the Wage and Hour Division.
- Department of Transportation, particularly the Federal Aviation Administration and Federal Motor Carrier Safety Administration.
- Department of the Treasury, particularly the Internal Revenue Service.
- Environmental Protection Agency.
- Federal Communications Commission.
- Federal Financial Institutions Examination Council and its constituent agencies.
- Office of Management and Budget, particularly the 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. In addition, the Committee will examine agency compliance with the Regulatory Flexibility Act and Paperwork Reduction Act. The Committee

will pay close attention to the effect that regulations have on startups. 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 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 and proposed rules 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 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 availability of health insurance in the federal marketplaces established by the Patient Protection and Affordable Care Act.
- 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, including the development of renewable energy products.

#### 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.
- Oversight of SBA's Office of International Trade and the agency's efforts to promote small business exports.
- Examination of the impact of illicit actions by foreign entities on small businesses and whether the federal government is doing enough to protect their interests.
- 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.
- Whether the United States Trade Representative and Department of Commerce sufficiently protect the interests of small businesses in the negotiation of free trade agreements.
- Whether the United States Trade Representative takes positions at the World Trade Organization that sufficiently promote the interests of American 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.
- 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.
- 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 in the Office of Government Contracting and Business Development will provide a more effective agency at helping small businesses to generate growth.

1

## Programmatic Duplication

The Committee notes that § 18 of the Small Business Act prohibits duplication of any effort by the Small Business Administration if a program is already offered by another federal agency unless the Small Business Administration expressly authorizes the duplication. The Committee will continue to monitor the Small Business Administration for programs that duplicate the efforts of other federal agencies.