

104TH CONGRESS
2D SESSION

H. R. 3798

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

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1996

Mr. SOLOMON (for himself, Mr. ZELIFF, Mrs. KELLY, Mr. MONTGOMERY, Mr. COBLE, Mr. ENGLISH of Pennsylvania, Mr. BENTSEN, Mr. WELDON of Pennsylvania, Mr. POMEROY, Mrs. VUCANOVICH, Mr. MANZULLO, Mr. FUNDERBURK, Mr. DICKEY, Mr. BOEHLERT, Mr. CHAMBLISS, Mr. BUNN of Oregon, Mr. HUTCHINSON, Mr. RICHARDSON, Mr. JOHNSON of South Dakota, Mr. CLINGER, Mr. HEFLEY, Mr. EVERETT, Mr. BARR of Georgia, Mrs. MYRICK, Mr. WAMP, Mr. YOUNG of Alaska, Mr. SCHAEFER, Mr. LEWIS of Kentucky, Mr. BARRETT of Nebraska, Mr. WICKER, Mr. MASCARA, Mr. BACHUS, Mr. SKELTON, Mr. ROBERTS, Mr. CONDIT, Mr. THOMAS, Ms. DANNER, Mr. BISHOP, Mr. BREWSTER, Mr. GOODLING, Mr. RIGGS, Mr. CALVERT, Mr. SHAYS, Mr. BLUTE, Mrs. CLAYTON, Ms. PRYCE, Mr. BARTON of Texas, Mr. BEREUTER, Ms. KAPTUR, Mr. HERGER, Mr. DOYLE, Mr. FRANK of Massachusetts, Mr. NEAL of Massachusetts, Mr. FOX of Pennsylvania, Mr. GREENWOOD, Mr. CUNNINGHAM, Mr. FATTAH, Mr. BARTLETT of Maryland, Mr. STENHOLM, Mr. GILMAN, Mr. MCHUGH, Mr. SCARBOROUGH, Mr. JONES, Mr. ENGEL, Mr. PETE GEREN of Texas, Mr. MEEHAN, Mr. HOLDEN, Mr. DEFazio, Mr. COMBEST, Mrs. THURMAN, Mr. PICKETT, Mr. LINDER, Mr. HAYES, Mr. DEAL of Georgia, Mr. CHRISTENSEN, Mr. HASTINGS of Florida, Mr. FRANKS of Connecticut, Mr. RADANOVICH, Mr. GEKAS, Mr. MCHALE, Ms. GREENE of Utah, Mr. GOSS, Mr. SMITH of Texas, Mr. LAHOOD, Mr. MICA, Mr. LEWIS of Georgia, Mr. FOGLIETTA, Mr. QUILLEN, Mr. DREIER, Mr. STEARNS, and Mr. TAYLOR of North Carolina) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Government Reform and Oversight, 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

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 Relief Act of 1996”.

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—

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

13 (2) improve the level of outreach to the small
14 business community and reduce duplication of effort
15 among Federal agencies;

16 (3) be funded without additional appropriations;

17 (4) use the existing federally supported national
18 small business development center service delivery
19 network;

20 (5) provide a mechanism for unbiased feedback
21 to Federal agencies on the small business regulatory
22 environment; and

1 (6) stimulate the development of partnerships
2 between nonpunitive assistance programs and the
3 small business development center service delivery
4 network in order to improve access to and utilization
5 of these programs by the small business community.

6 **SEC. 3. ESTABLISHMENT OF PROGRAM.**

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

9 (1) by redesignating section 31 as section 32;
10 and

11 (2) by inserting after section 30 the following
12 new section:

13 **“SEC. 31. SMALL BUSINESS REGULATORY RELIEF.**

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

15 “(1) the term ‘Chairperson’ means the Chair-
16 person of the Council;

17 “(2) the term ‘Council’ means the Small Busi-
18 ness Regulatory Relief Council established under
19 subsection (b);

20 “(3) the term ‘participating agency’ means—

21 “(A) the Environmental Protection Agen-
22 cy;

23 “(B) the Internal Revenue Service of the
24 Department of the Treasury; and

1 “(C) the Occupational Safety and Health
2 Administration of the Department of Labor;

3 “(4) the term ‘small business development cen-
4 ter’ means a small business development center es-
5 tablished pursuant to section 21; and

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

14 “(b) SMALL BUSINESS REGULATORY RELIEF COUN-
15 CIL.—

16 “(1) ESTABLISHMENT.—Not later than 30 days
17 after the date of enactment of this Act, there shall
18 be established a Small Business Regulatory Relief
19 Council in accordance with this subsection.

20 “(2) MEMBERSHIP.—The Council shall be com-
21 posed of 13 members, as follows:

22 “(A) The Associate Administrator for the
23 Office of Small Business Development Centers.

24 “(B) One individual selected by the Ad-
25 ministrator of the Environmental Protection

1 Agency from among grade V or higher senior
2 executive service employees of the Environ-
3 mental Protection Agency.

4 “(C) One individual selected by the Sec-
5 retary of the Treasury from among grade V or
6 higher senior executive service employees of the
7 Internal Revenue Service of the Department of
8 the Treasury.

9 “(D) One individual selected by the Sec-
10 retary of Labor from among grade V or higher
11 senior executive service employees of the Occu-
12 pational Safety and Health Administration of
13 the Department of Labor.

14 “(E) Four individuals selected by an asso-
15 ciation representing the majority of small busi-
16 ness development centers, authorized in section
17 21(a)(3)(A), from among representatives of
18 small business development centers.

19 “(F) One individual selected by the Na-
20 tional Small Business Development Center Ad-
21 visory Council.

22 “(G) Four individuals selected by the Ad-
23 ministrator from among small business owners
24 nominated by national organizations represent-
25 ing small business concerns.

1 “(3) CHAIRPERSON.—The Council shall elect a
2 Chairperson from among its members to serve for a
3 term of one year.

4 “(4) PERIOD OF APPOINTMENT; VACANCIES.—

5 “(A) PERIOD OF APPOINTMENT.—Each
6 member of the Council shall be appointed for a
7 term of one year. No member of the Council
8 may serve more than three consecutive terms.

9 “(B) VACANCIES.—A vacancy in the Coun-
10 cil shall not affect the powers of the Council,
11 and shall be filled in the same manner as the
12 original appointment was made.

13 “(5) MEETINGS.—The Council shall meet at
14 the call of the Chairperson, but not less quarterly.

15 “(6) POWERS OF THE COUNCIL.—

16 “(A) HEARINGS.—The Council may hold
17 such hearings, sit and act at such times and
18 places, take such testimony, and receive such
19 evidence as the Council considers necessary to
20 carry out this section.

21 “(B) INFORMATION FROM FEDERAL AGEN-
22 CIES.—The Council may secure directly from
23 any Federal department or agency, such infor-
24 mation as the Council considers necessary to
25 carry out this section. Upon request of the

1 Chairperson, the head of such department or
2 agency shall furnish such information to the
3 Council.

4 “(C) POSTAL SERVICES.—The Council
5 may use the United States mails in the same
6 manner and under the same conditions as other
7 departments and agencies of the Federal Gov-
8 ernment.

9 “(D) GIFTS.—The Council may accept,
10 use, and dispose of gifts or donations of serv-
11 ices or property.

12 “(7) COUNCIL PERSONNEL MATTERS.—

13 “(A) COMPENSATION OF MEMBERS.—

14 “(i) IN GENERAL.—Each member of
15 the Council who is not an officer or em-
16 ployee of the Federal Government or of a
17 small business development center shall be
18 compensated at a rate equal to the daily
19 equivalent of the annual rate of basic pay
20 prescribed for level IV of the Executive
21 Schedule under section 5315 of title 5,
22 United States Code, for each day (includ-
23 ing travel time), during which such mem-
24 ber is engaged in the performance of the
25 duties of the Council.

1 “(ii) EMPLOYEES OF FEDERAL GOV-
2 ERNMENT.—Members of the Council who
3 are officers or employees of the United
4 States may not receive additional pay, al-
5 lowances, or benefits by reason of their
6 service on the Council.

7 “(B) TRAVEL EXPENSES.—Members of the
8 Council shall receive travel expenses, including
9 per diem in lieu of subsistence, in accordance
10 with sections 5702 and 5703 of title 5, United
11 States Code.

12 “(C) STAFF.—

13 “(i) IN GENERAL.—The Chairperson
14 may, without regard to the civil service
15 laws and regulations, appoint and termi-
16 nate an Executive Director and such other
17 additional personnel as may be necessary
18 to enable the Council to perform its duties.
19 The employment of an Executive Director
20 shall be subject to confirmation by the
21 Council.

22 “(ii) COMPENSATION.—The Chair-
23 person may fix the compensation of the
24 Executive Director and other personnel
25 without regard to the provisions of chapter

1 51 and subchapter III of chapter 53 of
2 title 5, United States Code, relating to
3 classification of positions and General
4 Schedule pay rates, except that the rate of
5 pay for the Executive Director and other
6 personnel may not exceed the rate payable
7 for level IV of the Executive Schedule
8 under section 5316 of such title.

9 “(D) DETAIL OF GOVERNMENT EMPLOY-
10 EES.—Any Federal Government employee may
11 be detailed to the Council without reimburse-
12 ment, and such detail shall be without interrup-
13 tion or loss of civil service status or privilege.

14 “(E) PROCUREMENT OF TEMPORARY AND
15 INTERMITTENT SERVICES.—The Chairperson
16 may procure temporary and intermittent serv-
17 ices under section 3109(b) of title 5, United
18 States Code, at rates for individuals which do
19 not exceed the daily equivalent of the annual
20 rate of basic pay prescribed for level V of the
21 Executive Schedule under section 5316 of such
22 title.

23 “(F) FEDERAL PROCUREMENT.—The
24 Council may contract in its own name, includ-
25 ing contracting for administrative services and

1 for meeting such national delivery support re-
2 quirements as it determines necessary and ap-
3 propriate, under procedures to be determined
4 by the Council, without regard to the provisions
5 of title III of the Federal Property and Admin-
6 istrative Services Act, or any other law, rule or
7 regulation governing Federal procurement.

8 “(G) ACCESS TO FEDERAL FACILITIES.—

9 The Council shall have access to any Federal
10 facilities as the Chairperson, in consultation
11 with the General Services Administration or
12 any other agency as appropriate, determines ap-
13 propriate, to carry out its functions.

14 “(c) DUTIES OF PARTICIPATING AGENCIES.—

15 “(1) SUBMISSION OF PLAN.—Not later than 60

16 days after the date of enactment of this Act, each
17 participating agency shall submit to the Council a
18 five year plan for the establishment and mainte-
19 nance of the partnership with small business devel-
20 opment centers for a system of voluntary compli-
21 ance.

22 “(2) CONTENTS OF PLAN.—Each plan submit-
23 ted under paragraph (1) shall include—

24 “(A) the regulatory compliance objectives
25 of the participating agency;

1 “(B) the regulatory compliance priorities
2 of the participating agency;

3 “(C) identification of the types of services,
4 materials, and resources to be developed or
5 used by the participating agency;

6 “(D) participating agency facilities, exper-
7 tise, and other resources that may be accessed
8 by the Chairperson, a small business develop-
9 ment center, or a small business concern par-
10 ticipating in the system of voluntary compliance
11 established under this section; and

12 “(E) performance outcome measures and
13 evaluation criteria to be used by the participat-
14 ing agency in evaluating the effectiveness of the
15 system of voluntary compliance to be estab-
16 lished under this section.

17 “(3) DUPLICATION OF EFFORT.—In carrying
18 out this subsection, each participating agency shall,
19 to the maximum extent practicable, ensure that par-
20 ticipating agencies are not carrying out duplicative
21 efforts.

22 “(d) DUTIES OF COUNCIL.—

23 “(1) REVIEW OF PARTICIPATING AGENCY
24 PLAN.—Not later than 30 days after the date on
25 which a participating agency submits a plan to the

1 Council, or the Chairperson authorizes the Council
2 to prepare or have prepared a plan under subsection
3 (c)(1), the Council shall—

4 “(A) approve the plan; or

5 “(B) make such modifications to the plan
6 as the Council determines to be necessary to
7 carry out the purpose of this Act.

8 “(2) ESTABLISHMENT OF GUIDELINES.—

9 “(A) IN GENERAL.—Based on each plan
10 approved or modified under paragraph (1), not
11 later than 180 days after the date of enactment
12 of this Act, the Council shall—

13 “(i) develop a program for the imple-
14 mentation of each participating agency
15 plan;

16 “(ii) publish guidelines for the estab-
17 lishment by small business development
18 centers or consortia of small business de-
19 velopment centers of a system of voluntary
20 compliance in accordance with this section;

21 “(iii) send a written copy of those
22 guidelines to each small business develop-
23 ment center and to each participating
24 agency; and

1 “(iv) identify national service delivery
2 support requirements including personnel
3 training, resource material development,
4 communication technology, monitoring,
5 and program evaluation.

6 “(B) GUIDELINE REQUIREMENTS.—The
7 guidelines published under subparagraph (A)
8 shall—

9 “(i) establish priorities for the types
10 of assistance to be provided to small busi-
11 ness concerns under the system of vol-
12 untary compliance established by small
13 business development centers or consortia
14 of small business development centers
15 under this section; and

16 “(ii) with respect to that assistance,
17 establish standards relating to educational,
18 technical, and communications tools, re-
19 sources, and support services to be pro-
20 vided to small business concerns participat-
21 ing in the system of voluntary compliance.

22 “(C) PROGRAM DELIVERY.—The guidelines
23 established under subparagraph (A) shall—

24 “(i) require that the assistance to
25 small business concerns participating in

1 the system of voluntary compliance under
2 this section be carried out by small busi-
3 ness development centers or by consortia of
4 small business development centers; and

5 “(ii) provide that certain national
6 service delivery support requirements be
7 carried out under contract with an associa-
8 tion representing the majority of small
9 business development centers.

10 “(D) ENFORCEMENT OF GUIDELINES.—

11 For purposes of this paragraph, the provision of
12 small business development center assistance
13 shall not be considered to be an enforcement ac-
14 tion for an Federal agency.

15 “(3) ANNUAL REPORT.—The Council shall, on
16 an annual basis, submit to the President and to the
17 Committees on Small Business of the Senate and
18 the House of Representatives a report, which shall
19 include—

20 “(A) a description of the types of assist-
21 ance provided by small business development
22 centers and consortia of small business develop-
23 ment centers to small business concerns partici-
24 pating in the system of voluntary compliance;

1 “(B) the level of outreach to small business
2 concerns achieved by small business develop-
3 ment centers and consortia of small business
4 development centers under this section;

5 “(C) the quality and effectiveness of the
6 assistance provided by small business develop-
7 ment centers and consortia of small business
8 development centers to small business concerns
9 participating in the system of voluntary compli-
10 ance;

11 “(D) problems encountered by small busi-
12 ness development centers and consortia of small
13 business development centers in carrying out
14 this section; and

15 “(E) recommendations for improvements
16 in the regulation of small business concerns
17 participating in the system of voluntary compli-
18 ance.

19 “(e) DUTIES OF SMALL BUSINESS DEVELOPMENT
20 CENTERS.—

21 “(1) WORK PLAN.—Beginning not later than
22 60 days after the date on which the guidelines are
23 published by the Council under subsection (d)(2)(A),
24 each small business development center shall, on an
25 annual basis, submit to the Council a work plan

1 under which the small business development center,
2 either individually or as part of a consortium of
3 small business development centers, will carry out
4 the system of voluntary compliance in accordance
5 with such guidelines.

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

9 “(A) access to information and resources;

10 “(B) training and educational activities;

11 “(C) confidential, free-of-charge, one-on-
12 one in-depth counseling;

13 “(D) technical assistance; and

14 “(E) referrals to experts.

15 “(3) REPORTS; RECOMMENDATIONS.—Each
16 small business development center and consortium of
17 small business development centers shall—

18 “(A) on a semiannual basis, submit to the
19 Council a report on the assistance provided by
20 the small business development center or con-
21 sortium under the system of voluntary compli-
22 ance established under this section; and

23 “(B) on an annual basis, submit to the
24 Council recommendations for improving the
25 regulation of small business concerns.

1 “(C) Nothing in this or any other section
2 shall require a small business development cen-
3 ter, any consortium of small business develop-
4 ment centers, or any person relied on by any
5 such small business development center to pro-
6 vide services, to disclose the name or address of
7 any small business concern participating in a
8 system of voluntary compliance under this sec-
9 tion.

10 “(f) EVALUATIONS.—

11 “(1) BY THE COUNCIL.—

12 “(A) IN GENERAL.—The Council shall
13 evaluate the system of voluntary compliance on
14 an annual basis.

15 “(B) COMPLIANCE WITH WORK PLANS.—
16 In carrying out subparagraph (A), the Coun-
17 cil—

18 “(i) shall determine whether—

19 “(I) the participating small busi-
20 ness development center or consor-
21 tium of small business development
22 centers is performing in accordance
23 with the most recent annual work
24 plan submitted by the small business
25 development center or consortium of

1 small business development centers
2 under subsection (e)(1); and

3 “(II) the quality of assistance
4 provided by the small business devel-
5 opment center or consortium of small
6 business development centers to small
7 business concerns under this section is
8 acceptable; and

9 “(ii) may review any client records
10 maintained by the small business develop-
11 ment center or consortium of small busi-
12 ness development centers, except that in
13 conducting any such review, the Council
14 shall ensure that the identity of clients and
15 all information relating to clients remains
16 confidential, and that no identifying infor-
17 mation about any client is provided to any
18 Federal agency.

19 “(2) INDEPENDENT NATIONAL ASSESSMENT.—
20 Upon the expiration of the three-year period begin-
21 ning on the date on which all small business develop-
22 ment centers and consortia of small business devel-
23 opment centers begin implementation of the work
24 plans described under subsection (e)(1), the Council
25 shall provide for an evaluation of the system of vol-

1 untary compliance established under this section by
2 an independent third party.

3 “(g) FUNDING.—

4 “(1) SET-ASIDE.—To assist small business de-
5 velopment centers and consortia of small business
6 development centers in carrying out the system of
7 voluntary compliance under this section—

8 “(A) the Occupational Safety and Health
9 Administration of the Department of Labor
10 shall set aside not less than 0.38 percent of
11 amounts made available to the Occupational
12 Safety and Health Administration in each of
13 fiscal years 1997, 1998, 1999, 2000, and 2001;

14 “(B) the Environmental Protection Agency
15 shall set aside—

16 “(i) not less than 0.20 percent of
17 amounts made available to the Environ-
18 mental Protection Agency in fiscal year
19 1997;

20 “(ii) not less than 0.24 percent of
21 amounts made available to the Environ-
22 mental Protection Agency in fiscal year
23 1998;

24 “(iii) not less than 0.29 percent of
25 amounts made available to the Environ-

1 mental Protection Agency in fiscal year
2 1999; and

3 “(iv) not less than 0.35 percent of
4 amounts made available to the Environ-
5 mental Protection Agency in each of the
6 fiscal years 2000 and 2001; and

7 “(C) the Internal Revenue Service of the
8 Department of the Treasury shall set aside—

9 “(i) not less than 0.25 percent of
10 amounts made available to the Internal
11 Revenue Service in fiscal year 1997;

12 “(ii) not less than 0.31 percent of
13 amounts made available to the Internal
14 Revenue Service in fiscal year 1998; and

15 “(iii) not less than 0.39 percent of
16 amounts made available to the Internal
17 Revenue Service in fiscal year 1999; and

18 “(iv) not less than 0.49 percent of
19 amounts made available to the Internal
20 Revenue Service in each of the fiscal years
21 2000 and 2001.

22 “(2) NATIONAL REGULATORY RELIEF FUND.—

23 “(A) IN GENERAL.—Amounts set aside
24 under paragraph (1) shall be deposited in a
25 fund, which shall be established and adminis-

1 tered by the Council, to be known as the Na-
2 tional Regulatory Relief Fund. Subaccounts for
3 each participating agency shall be established
4 within the National Regulatory Relief Fund.

5 “(B) UNEXPENDED AMOUNTS.—Any
6 amounts in the National Regulatory Relief
7 Fund that are not obligated or expended during
8 the fiscal year in which the amounts are depos-
9 ited shall remain available for obligation in any
10 succeeding fiscal year.

11 “(3) DISTRIBUTION OF ASSISTANCE.—

12 “(A) IN GENERAL.—Subject to subpara-
13 graph (C), in each fiscal year, amounts depos-
14 ited in the National Regulatory Relief Fund
15 under paragraph (2) shall be distributed by the
16 Council to the small business development cen-
17 ter network in each State in accordance with
18 subparagraph (B).

19 “(B) POPULATION-BASED FUNDING FOR-
20 MULA.—The small business development center
21 in each State shall receive a distribution under
22 subparagraph (A) in an amount that is equal to
23 the sum of—

24 “(i) the pro rata share of the State of
25 the total amount distributed by the Council

1 under subparagraph (A), based upon the
2 population of the State as compared to the
3 total population in the United States, as
4 determined by the Council; and

5 “(ii) \$300,000.

6 “(C) ADMINISTRATIVE COSTS.—Of
7 amounts deposited in the National Regulatory
8 Relief Fund under paragraph (2), not more
9 than 5 percent shall be used by the Council for
10 administration, evaluation, and reporting
11 costs.”.

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