FULL COMMITTEE ORGANIZATION MEETING

COMMITTEE ON SMALL BUSINESS UNITED STATES HOUSE OF REPRESENTATIVES

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FULL COMMITTEE ORGANIZATIONAL MEETING

WEDNESDAY, JANUARY 31, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 12:00 p.m., in Room 2360 Rayburn House Office Building, Hon. Nydia M. Velázquez [Chairwoman of the Committee] presiding.

Present: Representatives Velázquez, Jefferson, Shuler, González, Michaud, Cuellar, Lipinski, Moore, Altmire, Braley, Ellsworth, Chabot, Bartlett, Akin, Fortenberry, Gohmert, Davis, Buchanan, and Jordan.

Staff Present: Tim Slattery, Majority Counsel; and Zuraya Tapia, Clerk.

OPENING STATEMENT OF CHAIRWOMAN VELÁZQUEZ

Chairwoman VELÁZQUEZ. I call this Small Business Committee organizational meeting together.

I want to first welcome all returning and new Members. I look forward to working with each of you this Congress. There is no question that we all have the same goal, to best advocate on behalf of our nation's 26 million small businesses. For this Committee to truly meet the needs of small firms, we must work together in a way that is fair and best addresses their concerns.

I have always believed that there shouldn't be a Democratic or a Republican way when it comes to small businesses. Good ideas come from both sides and we need to be open and encourage that. With that option of today's rules package and oversight plan, I believe we are demonstrating to the small business community that we are committed to working together and advocating on their behalf. Small businesses deserve our partnership and I look forward to working with Ranking Member Mr. Chabot and the other Members of the Committee to accomplish this goal.

We have a very diverse Committee, both ideologically and geographically. I believe that is our strength and we'll make sure that this Committee's final product benefits entrepreneurs in all sectors. That being said, I look forward to the discussions, as well as the debates, that I know will transpire over the next two years. I am sure they will be both lively and informative and I welcome that.

Again, I welcome each of you here and I look forward to working with all of you.

I would like to take this time to introduce the freshmen on the Committee: Congressman Heath Shuler from North Carolina, Rep-

resentative Jason Altmire from Pennsylvania; Bruce Braley from Iowa; Yvette Clarke, New York; Brad Ellsworth, Indiana; Mr. Hank Johnson, Georgia; Joe Sestak from Pennsylvania.

At this point, I would like to yield to the Ranking Member, Mr. Chabot, for any opening statement he may have.

STATEMENT OF MR. CHABOT

Mr. CHABOT. Thank you, Madam Chair. I thank you for yielding and I'll be brief. We have a vote, as we all know, so I'll try to keep this as brief as I possibly can.

I want to first of all congratulate you on being the chair of the Small Business Committee. I know that you've been a hardworking Member on this Committee for a long time now and I know that you'll do a good job.

I also want to commend both you and your staff for working so well in the transition period. With our staff, I think you've bent over backwards to be fair with us and we appreciate that. And while we will certainly have partisan differences over the course of the next two years, there are many issues that I think we can agree on and after all, 99 percent of the businesses in this country by definition are small businesses and 60 to 80 percent of the jobs that are created are created by small businesses. So I think we should work together as you indicated to improve the environment for millions of Americans who own or work in small businesses.

And I would also like to introduce the freshmen Members that we have on our side, so I'll begin with—is Dean Heller here yet? No. He was Secretary of State of Nevada. He's been a commercial banker and stockbroker, and he will be the Ranking Member of the Finance and Tax Subcommittee. Next I'd like to introduce Dave Davis from Tennessee here. He had a very successful career as the owner of two healthcare and medical equipment businesses and David will be the Ranking Member of the Contracting and Technology Subcommittee. Mary Fallin, who I believe is not here, was a real estate broker and she was Oklahoma's Lieutenant Governor and she served there in a cabinet-level position as the State's small business advocate. Vern Buchanan, who is here, Vern is of Florida. Turned a small, quick printing franchise into an immensely successful enterprise and later became one of the nation's most successful automobile dealers and we welcome him here.

And finally, my friend and fellow Ohioan, Jim Jordan, who in addition to building a very successful record in the Ohio General Assembly is widely known for his prowess as an all American wrestling champion. So we welcome Jim here. I want to welcome all of them to our nation's capital and our returning Members, Roscoe Bartlett, Sam Graves, Todd Akin, Bill Shuster, Marilyn Musgrave, Steve King, and Louis Gohmert who will be the Ranking Member of the Investigations and Oversight Committee; Lynn Westmoreland, who will be the Ranking Member of the Regulations, Healthcare and Trade Subcommittee; and finally, Jeff Fortenberry, who will be the Ranking Member of the Rural and Urban Entrepreneur Subcommittee Member.

And with that, I'll yield back.

ADOPTION OF COMMITTEE RULES

Chairwoman VELÁZQUEZ. Thank you, Ranking Member. And now the first order of business is to adopt the Committee rules. As you mentioned, Ranking Member, this was done in conjunction both with the Democratic side and the Republican side, working together. Changes were well made. Those changes are positive. They're fair. It opens the process for more participation and the only way that we could be effective in providing solutions to the many issues impacting small businesses is by providing a process that is open, is fair. The minority will have one third of everything when it comes to having witnesses, including the budget and total control of the budget. You will be the one making the decision as to how, where the budget will be spent.

With that, I will yield to the Ranking Member, if you have any comments regarding the Rules Plan. Every person, every Member has a copy, has been provided to you, both the rules package as well as the oversight plan.

Mr. CHABOT. Thank you, Madam Chair, and I'll be brief. I want to reiterate my appreciation for both your and your staff's working with our side on the rules. I agree with you that there is protection of minority rights in the rules and more opportunities for minority input and we appreciate that. And I had the opportunity to provide a copy of the rules and go over the rule changes with my members at our organizational meeting on Monday. And to my knowledge, everyone is pleased with those and I would urge my colleagues to support the rules and I yield back.

Chairwoman VELÁZQUEZ. Are there any Members that wish to be recognized on the Rules Plan?

[No response.]

Chairwoman VELÁZQUEZ. If no other Members wish to be recognized, I will yield to Mr. González for a motion.

Mr. GONZÁLEZ. I so move that we adopt the Rules Plan for the Small Business Committee.

Chairwoman VELÁZQUEZ. Does anyone second the motion?

Mr. GOHMERT. Second.

Chairwoman VELÁZQUEZ. The question is on the adoption of the Rules Plan. All those in favor, say aye? All those opposed say no.

[Ayes.]

Chairwoman VELÁZQUEZ. In the opinion of the chair, the ayes have it. The Rules Plan for the Small Business Committee in the U.S. House of Representatives for the 110th Congress are hereby adopted.

ADOPTION OF THE COMMITTEE OVERSIGHT PLAN

Chairwoman VELÁZQUEZ. Today, the second order of business is the Committee Oversight Plan and this plan is the roadmap for the Small Business Committee. It details what we're going to do and how we're going to do it. Most importantly, it lets the small business community know that we're going to address their concerns.

I want to thank the Ranking Member, Mr. Chabot, for his input in constructing this plan and for helping improve it in key areas such as the state tax and tort reform. This document represents priorities from both sides of the aisle, something I think is very important to best serve the small business sector and our nation and

I am very happy to say that this Committee now will have broader and greater flexibility in the sense that now the jurisdiction of the Committee has been expanded, meaning that the legislation that we can show the Parliamentarian has a significant impact on the large number of businesses. We can ask for referral and this way, we can assure the small business sector that their voices will be heard throughout the legislative process.

It is my goal that we set out to work together to address the most pressing concern for small businesses. As we all know, this includes healthcare regulations and ensuring a strong and vibrant SBA at their disposal.

It is clear that small businesses face many obstacles. It is incumbent upon us to provide small businesses with relief and the tools they need to be successful and I strongly believe that the oversight plan will achieve this.

At this point, I will yield to the Ranking Member.

Mr. CHABOT. Thank you, Madam Chair. I know we have a vote, so I'll be very brief. We agree and thank the minority for working with us on this oversight plan. We've had an opportunity to look at the differences that this will make to small businesses. It covers taxes and regulations, paperwork, healthcare, legal reform, Small Business Administration contracting and many other areas.

So I would urge my colleagues to support the plan and thank you for your cooperation.

Chairwoman VELÁZQUEZ. Are there any Members that wish to be recognized?

[No response.]

Chairwoman VELÁZQUEZ. If no other members wish to be recognized, I will yield to Mr. González for a motion.

Mr. GONZÁLEZ. I would move that we adopt the Small Business Oversight Plan.

Chairwoman VELÁZQUEZ. Does anyone second the motion?

Mr. CUELLAR. Second.

Mr. GONZÁLEZ. The question is on the adoption of the Oversight Plan. All those in favor say aye. All those opposed say no.

[Ayes.]

Chairwoman VELÁZQUEZ. In the opinion of the chair the ayes have it. The Oversight Plan for the Small Business Committee for the 110th Congress are hereby adopted. Thank you. With that, we adjourn the meeting.

[Whereupon, at 12:40 p.m., the meeting was concluded.]

Chairwoman Velázquez
OPENING STATEMENT

I call the Small Business Committee Organizational Meeting together.

I want to first welcome all returning and new Members. I look forward to working with each of you this Congress.

There is no question that we all have the same goal, to best advocate on behalf of our nation's 26 million entrepreneurs. For this committee to truly meet the needs of small firms we must work together in a way that is fair and best addresses their concerns.

I have always believed that there shouldn't be a Democratic or a Republican way when it comes to small businesses. Good ideas come from both sides and we need to be open and encourage that. With the adoption of today's Rules package and Oversight plan I believe we are demonstrating to the Small business community that we are committed to working together and advocating on their behalf. Small businesses deserve our partnership and I look forward to working with Ranking Member Mr. Chabot and the other Members of the committee to accomplish this goal.

We have a very diverse committee both ideologically and geographically. I believe that is our strength and will make sure that this committee's final product benefits entrepreneurs in all sectors. That being said, I look forward the discussions as well as the debates that I know will transpire over the next two years. I am sure they will be both lively and informative.

Again, I welcome each of you here and I look forward to working together to address the concerns of our nation's 26 million entrepreneurs.

STATEMENT-RULES

Today's first order of business is to adopt the committee rules. While I know some may see this as perfunctory, it is one of the most important items because it affects so much of what we do.

Rules set the tone for how the committee operates. They should not be used to impose one side's views but ensure the committee runs in a way that is fair. The package to be considered today is significantly different from that of last Congress. I want to outline some of those changes and explain the rationale behind them.

If we are going to have a discussion which includes all points of view then all points of view must be included. In the past, the minority was limited to one witness. This Rules package will allow the minority to have 1/3 of all the witnesses at hearings and ensure we have a balanced discussion. Hearings are one of our best platforms to discuss concerns and exchange ideas on behalf of our nation's entrepreneurs.

Hearings can offer tremendous insight on issues, but there are limitations. And while we must first exhaust all means to resolve issues with agencies, there are instances that come down to the Executive Branch versus Congress. In the past, the decision to subpoena rested solely with the chair. In this Congress, if the committee must compel an agency to provide information with a subpoena -- This will only take place after the Ranking Member is given the right to have the committee consider and vote on the matter.

To fully discuss ideas and present alternative perspectives the Minority must also have the necessary resources. This means they must have a sufficient budget -- but more importantly they must have the ability to make decisions as they see fit on how and where to commit resources. Under these rules, the Minority will have full control of 1/3 of the committee's budget to spend as they deem appropriate. Small business can not thrive if the entire committee is not fully prepared to advocate for them.

This committee needs to run in a bipartisan matter. I believe the best way to do that is to make sure both sides have an equal voice and are treated in a way that is fair. It is my hope that today will start that process.

Small businesses are the engine of the economy and are the largest provider of jobs. We need to do everything we can to make sure they have the tools they need to be successful. I am confident that by working together we can best meet the interests of our nation's 26 million small businesses.

STATEMENT- OVERSIGHT

Today's second order of business is the committee's oversight plan. This is the road map for the small business committee. It details what we are going to do and how we are going to do it. Most importantly it lets the small business community know that we are going to address their concerns. I want to thank Mr. Chabot for his input in constructing this plan and for helping improve it in key areas such as the Estate Tax and Tort Reform.

Setting an agenda and working toward common goals is paramount. This document represents priorities from both sides of the aisle, something I think is very important to best serve the needs of our nation's 26 million entrepreneurs.

As most of you know, in the 110th Congress this committee has expanded jurisdiction over legislation affecting small firms. Now, this committee's legislative authority includes not only the Small Business Administration and its programs but also other initiatives impacting small businesses. Given this committee's new role, this oversight plan takes on even more importance. We now have a greater ability to review and act on more issues—giving small business a stronger voice in Congress.

It is my goal that we set out to work together to address the most pressing concerns for small businesses. As we all know this includes healthcare, regulations and ensuring a strong and vibrant SBA at their disposal. It is clear that small businesses face many obstacles. It is incumbent upon us to provide small businesses with relief and the tools they need to be successful. Today we have the opportunity to lay the ground work.

I have mentioned today just a few of the items this committee plans to address this Congress. This oversight plan details the priorities of small businesses. By adopting this plan we are best working to meet their needs. Small businesses spur economic growth and are this country's largest job creators. They have a big agenda which means we have a big agenda. I look forward to working with each of you on behalf of this nation's entrepreneurs.

U.S. House of Representatives
SMALL BUSINESS COMMITTEE
Representative Steve Chabot, Republican Leader
January 31, 2007

Opening Statement of Ranking Member Steve Chabot

Organizational Meeting of the Small Business Committee

Thank you, Madam Chairwoman. Let me first congratulate you on your accession to the chair of the House Small Business Committee. I would be remiss if I did not add that you follow in the footsteps of another great chairwoman of the Small Business Committee – Jan Meyers, Republican of Kansas – whose portrait we can all see in the back of the committee room.

Over the nest two years, I look forward to working with you, Chairwoman Velázquez, in a bipartisan manner on behalf of all small businesses. We all know the statistics – 99 percent of all businesses in the United States are small businesses. They create somewhere between 60 to 80 percent of all the net new jobs in the United States each year.

They are the job-generators that we all need in the districts that we represent. I'm sure that from time to time, we will have our differences but I am optimistic that those situations will be minimized. The manner by which Chairwoman Velázquez and her staff handled our constructive suggestions to the rules package and the oversight plan gives me good indication that we're off to a great start.

With that said, let me introduce the new Republican freshmen Members of the Committee. I am quite impressed with the background and experience of these Members.

1. Dean Heller of Nevada, who worked as a commercial banker and a stockbroker;
2. David Davis of Tennessee, who owned two small health care and medical equipment businesses;
3. Mary Fallin of Oklahoma, who worked as a real estate broker and served in a Cabinet-level position as Oklahoma's small business advocate when she served as Lieutenant Governor;
4. Vern Buchanan of Florida, who sold quick-printing franchises and also became one the nation's most successful automobile dealers; and
5. Jim Jordan , wrestling champ and coach extraordinaire, and fellow Buckeye.

I'd also like to congratulate those Republican Members who will serve as ranking members to the subcommittees, including two freshmen.

1. Jeff Fortenberry of Nebraska, who will serve as ranking on the Urban and Rural Entrepreneurship Subcommittee;
2. Lynn Westmoreland of Georgia, who will serve as ranking on the Regulations, Health Care, and Trade Subcommittee;
3. Louie Gohmert of Texas, who was kind enough to agree to serves as ranking on the Investigations and Oversight Subcommittee;
4. Dean Heller of Nevada, who will serve as ranking on the Finance and Tax Subcommittee; and
5. David Davis of Tennessee, who will serve as ranking on the Contracting and Technology Subcommittee.

Finally, I want to congratulate all of the other returning Republican Members to this committee. Roscoe Bartlett, Sam Graves, Todd Akin, Bill Shuster, Marilyn Musgrave, and Steve King are assuming great responsibilities as ranking Members on subcommittees of other committees. I trust that they will take the interests of small businesses into account as they deal with carious issues on these other committees.

Madam Chairwoman, Republicans on the Small Business Committee look forward to a productive two years. I strongly believe that everyone who serves on this committee will enjoy it. It is one of the most creative committees in Congress, with broad oversight authority to tackle almost any problem under the sun from a small business perspective. I yield back the balance of my time.

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