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House Leaders Voice Their Commitment to Small Business

The House Small Business Committee is one of the major supporters of America's small businesses in Congress and one of Advocacy's key stakeholders. Advocacy frequently testifies before this committee as it is a leading proponent of small business policy change. In recent interviews with The Small Business Advocate, the committee leaders discussed their personal stake in small business and the most pressing issues they see on the horizon.

Chairman Donald Manzullo (R-Illinois, 16th Dist.)

1. Why did you join the Small Business Committee?

I grew up in a small business. My parents owned a small grocery store and then switched to the restaurant business when I was older. My brother still runs the restaurant, Manzullo's Famous Italian

Restaurant, in New Milford, Ill.

After law school, I returned to northern Illinois and started my own law practice. I was a small business owner. I know the challenges they face each day. I know how high taxes and excessive government regulations can wreak havoc on a small business owner and his or her employees. It's one of the major reasons why I ran for Congress and why I joined the Small Business Committee.

2. Why is small business important to your district?

I represent the 16th district of Illinois, a very diverse district which runs from within one county of Chicago all the way to the Mississippi River. It includes Rockford, the second most populated city in Illinois, and it is heavily

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Ansgar Gabrielsen, Norway's Minister of Trade and Industry, and Chief Counsel for Advocacy Thomas M. Sullivan. Officials from the ministry visited Advocacy during June to learn about e-government and small business. (See story, page 7.)

Oklahoma Governor Signs Small Business Regulatory Flexibility Act

Oklahoma took a major step in promoting job-creating small business, as Gov. Frank Keating signed the Oklahoma Small Business Regulatory Flexibility Act (S.B. 948) in June. Modeled on its federal counterpart, the measure ensures that Oklahoma's small businesses are given a fair hearing when new state regulations are considered.

The new law creates the Small Business Regulatory Review Committee within the Oklahoma Department of Commerce. The committee is charged with reviewing new regulations that adversely affect small business. Once reviewed, the committee will work with Oklahoma agencies to find less restrictive alternatives and creative, innovative, and flexible means for small businesses to comply with the goals of the new regulations.

"The Oklahoma Small Business Regulatory Flexibility Act shows what we can accomplish when we work together in a bipartisan manner," said Governor Keating. "Small business is central to our economic well-being, and this Act will help keep it strong and healthy," he said.

Among provisions favorable to small business, the Act allows small businesses adversely affected

by regulations to file written petitions, under certain conditions, asking that the rules be amended, revised, or revoked.

"Lots of people talk about the importance of small business, but Oklahoma is one of the states that has acted," said Chief Counsel for Advocacy Tom Sullivan. "Oklahoma is lucky to have strong bipartisan support for small business in Sen. James Maddox and Reps. Bob Plunk, Jari Askins, and Kevin Calvey, the original co-sponsors of the Act," he said.

Hawaii Enacts Small Business Law

On June 21, Hawaii Gov. Benjamin Cayetano made the Hawaii Small Business Regulatory Flexibility Act permanent by removing the sunset portion of the law. The Act created the Small Business Regulatory Review Board, the watchdog for small business within the state government. Based on comments from small businesses, the board recommends to the Hawaii legislature and state agencies that they review and modify overly burdensome regulations.

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DOL Unveils Plan for OSHA Small Business Office

Secretary of Labor Elaine Chao has unveiled a number of improvements at the Department of Labor and its Occupational Safety and Health Administration. At a speech before the National Federation of Independent Business Small Business Summit in June, Secretary Chao promised to create an office in OSHA that is dedicated to small business and that will serve as a one-stop shop for small business

owners. "This will be the first time that small business concerns will become a permanent fixture in OSHA," Secretary Chao said. "And it will be filled with people whose job descriptions require them to work with groups like yours and help employers... They will function absolutely separately from inspection officers."

In addition, the department will

- Make the field operations hand-

book used by wage and hour inspectors available to small businesses;

- Create a new position, director of compliance assistance, to ensure that all the department's agencies are helping employers comply with regulations; and

- Start a toll-free information line, 1-866-4-USA-DOL, to answer questions about pay, benefits, leave, and workplace safety. Questions can be asked anonymously, employers will not have to

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Message from the Chief Counsel

Advocacy's Regional Connections

by Tom Sullivan, Chief Counsel for Advocacy

I'm pleased to announce the newest additions to our team of regional advocates in the Office of Advocacy. This past month we welcomed Barbara Manning (Region 1), Mike Hull (Region 9), and Alan Steinberg (Region 2), and strengthened our ongoing ties with Till Phillips, our rural advocate based in Texas.

Regional advocates, posted in each of the SBA's 10 regions, are Advocacy officials representing President Bush's team, the SBA, and particularly the Office of Advocacy. First, they serve as the eyes and ears of Advocacy. In particular, they are charged to listen to the views, concerns, and interests of the small business community and to make these concerns known, not only to my office, but to the small business community and policymakers at all levels.

They also have a key role as advocates for small business, informing state and regional officials about the importance of small-business-friendly policies. For example, the federal Regulatory Flexibility Act is working to save small businesses billions of dollars in costs to comply with overly burdensome federal regulations.

Regional advocates, posted in each of the SBA's 10 regions, are Advocacy officials representing President Bush's team, the SBA, and particularly the Office of Advocacy.

President Bush, recognizing the value of this law, has announced he will soon issue an executive order to strengthen its enforcement. The states also impose regulatory requirements on small businesses, some of which may be unnecessary or could be mitigated. Many states have taken a look at the RFA and implemented similar state laws. Oklahoma, for example, has just instituted a regulatory flexibility statute, and Hawaii has just made its statute permanent. The regional advocates will be leaders in replicating the benefits of successful federal and state initiatives at the regional, state, and local levels.

Our regional advocates will also be involved in our research efforts, helping to develop collaborative partnerships to encourage the study of small business and to make max-

imum use of research developed by the Office of Advocacy.

In addition, the regional advocates will serve as Advocacy's communications link to small businesses and the public. They will appear before small business groups, civic associations, and other organizations both to hear small business concerns and to increase awareness of small businesses' contributions to economic growth, the problems small businesses face, and the efforts of government to address those problems. They will encourage a dialog about small business concerns through local press, small business conferences, and a variety of media

As we welcome the regional advocates, we enter a new phase—a period in which Advocacy will be expanding connections at the state and local levels. By working more intensively and directly at these levels, we hope that small businesses can be more clearly heard, their good ideas passed on and replicated, and these beneficial effects multiplied.

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give their names, and "the call center does not have caller ID," Secretary Chao said.

Secretary Chao described a department that has acquired a newfound respect for small businesses. She summed up the Labor Department's approach, saying, "In the past, some parts of our department viewed you as 'competitors'—as if you somehow stood in the way of achieving worker protection. But today our culture is

changing to one where NFIB and other employer groups are viewed as allies."

OSHA Tools Online

OSHA's website contains expert tools providing businesses with information to aid in compliance and to help prevent workplace injuries and illnesses.

The e-Tools help guide the user through complicated OSHA standards such as asbestos, cadmium, or lockout/tagout. They can also help identify potential hazards in

the workplace based on industry classification. These programs contain useful illustrations and information on complying with OSHA's many standards. They could be useful helping a small business answer basic questions—especially businesses that are just getting started. OSHA will issue future updates to take into account questions posed by the public.

To access the tools, visit www.osha.gov and click on "e-Tools."

Meet Advocacy's Regional Advocates

Three New Regional Advocates Join Advocacy's Staff

By Deborah Kay Corey, Office of Advocacy

Regional advocates are the antennae of Advocacy's information network, gathering and transmitting input from small businesses around the country to the chief counsel. This team helps identify new issues and concerns by monitoring the impact of federal and state policies at the local level. Three new regional advocates were sworn in on June 3, 2002. They join Till Phillips, Advocacy's national rural advocate.



Region 1 - Barbara H. Manning

Barbara Manning represents Region 1, which consists of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. When asked what she hoped to accomplish just two days after being sworn into office, Barbara said, "As I travel through the Northeast, I want to be able to identify areas that prohibit small businesses from achieving success and bring them to the attention of the Office of Advocacy in Washington, D.C."

Barbara served in a variety of positions at the Small Business Administration for 16 years prior to her appointment as regional advocate. Most notably she served as SBA's acting associate administra-

tor for communications and public liaison and as the assistant district director in Boston. Before she joined government, she served as senior accounting supervisor in the Washington office of Perkins & Will, a national architecture firm.

One important issue for Barbara is staffing. "It is important to attract skilled people to work for small businesses," she stated. "This is not just an issue in the Northeast; it is a major concern for small businesses all over the country." As regional advocate, Barbara will be looking for ways to attract and keep skilled workers in the Northeast.



Region 2 - Alan J. Steinberg

As Region 2 advocate, Alan Steinberg is responsible for New York, New Jersey, Puerto Rico, and Virgin Islands. "As Region 2 advocate," Alan observed, "I will be conducting significant outreach to all sectors of the small business community to ensure that all the voices are heard and that their interests are protected."

Alan has served as counsel to Stage II Apparel Corporation, Gruen Marketing Corporation, Russ Berrie and Company, and Block Drug. He began his career in

the U.S. Navy as a lieutenant to the Judge Advocate General's corps. Alan also has a long record of public service. He has served on the New Jersey Executive Commission on Ethical Standards, worked for the New Jersey Department of Commerce and Economic Development as an assistant commissioner, and acted as senior policy advisor to the New Jersey Assembly Majority Office.



Region 9 - Michael T. Hull

As advocate for Region 9, Michael Hull is responsible for Arizona, California, Hawaii, Nevada, and Guam. "Regulation is a mountain out there. It restricts small business, and they're the ones paying the bills," Michael said. His past experience with the media and public relations make Michael an effective spokesperson for the region. "This agency can help by letting the press know when small businesses have problems with the regulations, so they don't go unheard or unseen."

Michael served as president and CEO of MT Horizons International, a firm engaged in small business management, financial services, and public relations. He has worked

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with startup companies to help them obtain angel financing, as well as offering insurance services and managing small businesses. Michael also worked in banking and international investment banking in Japan, England, and the United States.



Rural Advocate - G. Till Phillips

Till Phillips has been Advocacy's national advocate for rural affairs since November 1996. Till represents the nation's rural small businesses in the federal government's legislative and rulemaking processes.

Till's past SBA service includes deputy regional administrator of Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, and Texas) and acting regional administrator during transition periods. Till came to the SBA from the LTV Corporation. He also worked for Shell Oil in Midland, Texas. Till helped his parents manage their family-owned ranch and a small chain of grocery stores. His roots in Texas run six generations deep.

Till feels that the biggest problem facing rural businesses is that "They do not have the infrastructure that city people do. In the rural areas the small business circles need to be widened, and this can be done with the Internet." Till's extensive ties throughout Texas and the region aid him in his efforts to expand small businesses' network of professional support, contacts, and financing.

Legislative Update

President Signs Small Business Paperwork Relief Act

On June 28, President George W. Bush signed into law H.R. 327, the Small Business Paperwork Relief Act of 2002. The new law, P.L. 107-198, institutes a process to make paperwork reduction a serious, ongoing effort and introduces measures to make it easier for small businesses to comply with the law. The law

- requires the Office of Management and Budget to publish an annual list of compliance assistance resources available to small businesses in the *Federal Register* and on the Internet,

- requires each federal agency to establish one point of contact to act as a liaison for small businesses and to make efforts to further reduce paperwork requirements for businesses with fewer than 25 employees,

- establishes an interagency task-force to recommend improvements in information collection and dissemination; and

- requires agencies to report on their enforcement actions against small businesses and penalty reductions in such actions so that Congress can monitor agency efforts to reduce compliance burdens on small business.

Easier Access to Electronic Resources

Access all four Advocacy electronic Listservs from a single address. The email notices you receive supply a hotlink to the new material, so your in-box won't fill up with large documents.

From this single webpage, <http://web.sba.gov/list>, choose

- Advocacy's news releases,
- Advocacy's monthly newsletter *The Small Business Advocate*,
- Advocacy's small business research and statistics, and
- Advocacy's regulatory actions.

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Chairman Donald Manzullo (R-Illinois, 16th Dist.)

rural. It also has a tremendous concentration of small businesses, with a heavy percentage in small manufacturing. The city of Rockford alone, with a population of about 150,000 people, is home to 950 factories.

Needless to say, small businesses are extremely important to residents of the district I represent. They provide good jobs and benefits to the people of northern Illinois. The district I represent is also home to a heavy concentration of farmers, who are small business owners themselves and share many of the challenges faced by small employers in the manufacturing and retail sectors.

3. What issues are important to small business owners and their employees in your district?

The small business owners in the district I represent share many of the same concerns as small business around the nation. They are concerned with high taxation and overregulation. In addition, health care affordability is a major issue for the small employers I represent who are getting hammered by out-of-control health care costs for themselves and their employees.

Because of the heavy concentration of manufacturing in northern Illinois, our small businesses are especially interested in internation-

al trade issues. I represent one of the most heavily exporting districts in the country, and the employers are having a very difficult time right now selling their products overseas. Lately, they have been very vocal about the problems caused by the overvalued U.S. dollar and the tariffs our country has imposed on foreign steel. Both of these issues increase the cost of their business and hamper their ability to compete internationally. Manufacturing is still in a recession and fighting for work. These two issues alone have the ability to put them out of business unless things change soon.



Ranking Member Nydia M. Velasquez (D-New York, 12th Dist.)

1. Why did you join the Small Business Committee?

I joined the Small Business Committee because of my desire to work on economic development issues—and clearly the most important component of that is small business. Working on the committee gave me the chance to shape national policy that has a true nationwide scope and helps millions of Americans in their neighborhoods and where they work. Owning your own business, after owning your own home, is the apotheosis of the American Dream. Working to make that easier for hard-working entrepreneurs is really a great honor.

I also wanted to work on behalf of companies and people that make the biggest difference in how we live our lives, yet don't have the strongest voice in Washington. Major corporations have legions of lawyers and lobbyists to manipulate the tax code and regulators to suit their needs. Congress often follows with a one-size-fits-all approach to national policy, and small businesses often suffer under the burdens of rules and paperwork that weigh heaviest on them. I want to change this.

2. Why is small business important to your district?

Small business is vitally important to my district, which includes Brooklyn, the Lower East Side of Manhattan, and Queens in New York City. Small businesses built New York; they are what makes our urban fabric so rich and textured. Small businesses make up 98 percent of all enterprise in New York City and employ nearly 2 million workers—almost 50 percent of all jobs. These numbers reflect national statistics. Small businesses are absolutely critical to our economy and quality of life, from the back room to the board room, from Main Street to Wall Street.

3. What issues are important to small business owners and their employees in your district?

Recovering from September 11 is the biggest concern facing small businesses in New York. When the World Trade Center collapsed, 100,000 jobs evaporated. Some of those were small businesses. But that also affected clientele. One of the hardest-hit neighborhoods in New York, Chinatown, is in my district. Businesses there were cut off from the rest of the city in the immediate efforts to secure and clean up lower Manhattan. Many of them lost more than half their income. Garment factories lost jobs and closed. Such economic devastation is widespread throughout New York. I have introduced legislation to provide sustainability

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Advocacy's International Outreach

The SBA is a popular destination for visiting international officials. Visitors frequently contact the Office of Advocacy for information on the effects of taxation and regulation on small business startup and expansion.

China. For the past two years, China has sent the most visitors of any country to the SBA. Since 2000, the SBA and the Department of State have sponsored a series of digital videoconferences with the U.S. consulate in Shanghai. The videoconferences allow government officials in both countries to share information about how to stimulate China's small business sector.

For the videoconferences that took place in May, Advocacy's Senior Economist Ying Lowrey and Assistant Chief Counsel Russell Orban shared information about the U.S. legal framework, the origins of the SBA and its programs, the legislative process, and the Office of Advocacy. Their participation was especially effective since Dr. Lowrey made her presentation in Mandarin Chinese, her native lan-

guage. The presentation "shortened the distance between America and China," according to the enthusiastic audience of Chinese officials in Shanghai.

United Kingdom. In June, Deputy Chief Counsel Shawne Carter McGibbon met with about 20 individuals attending a symposium on small and medium enterprises for British telecom executives. In May, Advocacy's Senior Advisor, Clarence Randall, met with business and trade officials from England. The delegation included Nigel Griffiths, a member of Parliament and commissioner of business and trade policy.

Norway. Chief Counsel Tom Sullivan and Assistant Chief Counsel Orban met with a delegation from Norway's Ministry of Trade and Industry in June. The group, led by Norway's Minister of Trade and Industry, Ansgar Gabrielsen, expressed a particular interest in hearing about the func-

tion of the Office of Advocacy and the SBA's e-government efforts.

Encouraging Small Business in Russia

Creating the foundation for an economy where small businesses can flourish is considered fundamental to Russia's future growth. In June, a delegation from the Russian Duma (parliament) met with members of Congress to discuss trade and ways of encouraging free enterprise. Russia is making progress in this area. A new law passed by the Duma provides that, as of July 1, the governmental registration process for small business owners will be trimmed to a single stop. The prevailing system had involved multiple agencies, high fees, and red tape.

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grants and to require small business participation in the federally funded rebuilding efforts.

After that, small businesses in New York have concerns that are similar to their partners across the country. They want to provide health care for their employees, which is why I issued a challenge to Congress to create Association Health Plans, which will allow small businesses to band together and negotiate health care prices down, just like our government and corporations do. Small businesses want to be able to offer pension plans, but they are daunted by complexity, cost and liability. The Small Business Committee is working on these issues and more.

2002 Small Business Resource Guide Offers Free Tax Help

The Internal Revenue Service (IRS) has provided the Office of Advocacy with several hundred copies of the latest *Small Business Resource Guide*. This CD-ROM, produced by the IRS and the Small Business Administration, is a useful tool that provides small business startup information, as well as tax information, forms, instructions, publications, and valuable business information from a variety of government agencies, nonprofit organizations and educational institutions.

The guide will help the current or would-be small business owner to answer many of their own tax questions. The guide organizes information into three training modules: business life cycle, e-fil-

ing, and basic tax law. The program makes use of a handy toolbar and titles that allow users to simply click on the necessary information. The guide includes phone numbers, addresses, and Internet information that may also prove helpful.

The Small Business Resource Guide operates on both PC and Macintosh platforms. To obtain a copy, contact the Office of Advocacy at (202) 205-6533 or advocacy@sba.gov. It is also available through the SBA website: www.sba.gov/starting, and click item number 5, *SBA/IRS CD Small Business Guide*, or call 1-800-U ASK SBA or 1-800-TAX-FORM.

Regional Advocate Jim Johnson Remembered

Advocacy lost a dedicated professional when Jim Johnson, advocate for Region 6 since 1994, passed away on May 22. Jim's colleagues in Advocacy remember him for his charisma, his proactive style, and his vision, which included expanding U.S. small businesses' horizons to international markets. Jim's friend and colleague, Till Phillips recalled, "Jim loved Advocacy. We both liked to take on things; we loved a good fight for the right reasons. Jim was a boxer and so was I."

Jim's role in Advocacy extended to the office's early days. He served as deputy staff director for the first White House Conference on Small Business in 1980 and later became one of the office's first regional advocates. In the private sector, he served in a variety of positions in rural and economic development, technology transfer, international affairs, and small business development. He also served as executive director of the largest rural council

of governments. Jim not only worked closely with members of Congress, governors, and state legislators, he also met privately with world leaders concerning foreign relations and international trade. Jim's career began in the Marines and he rose to the rank of captain.

Till Phillips recalled one of his last conversations with Jim, after he had been hospitalized. "I went to see him that morning and he was asking about the SBREFA bill in Oklahoma just a few hours before he passed on. He wanted to know if it had been passed. He always had his heart in what he was doing."



Jim Johnson addressing the States and Small Business conference in 1998.

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