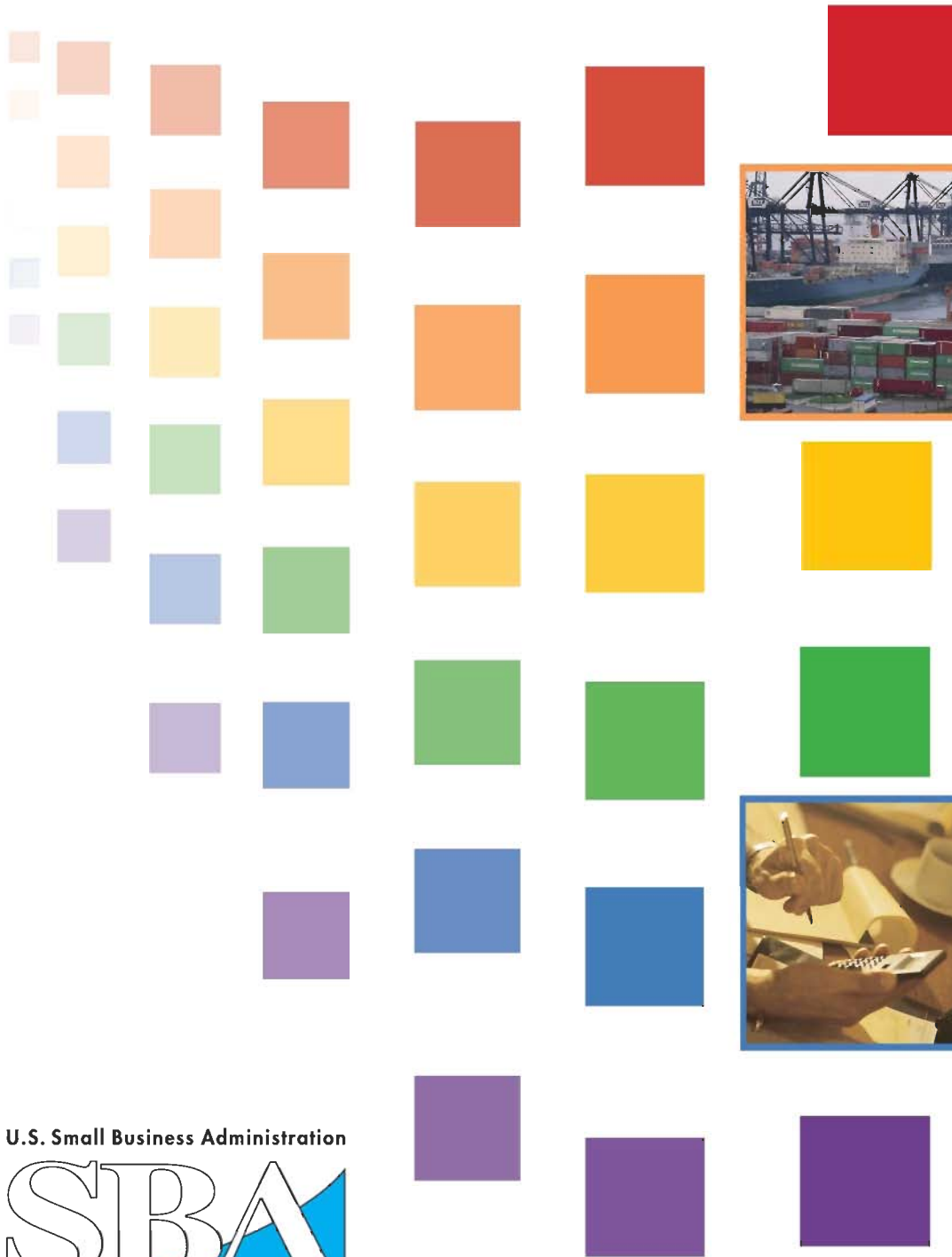


2004 National Ombudsman Report to Congress

Securing Rights & Benefits for Small Business



U.S. Small Business Administration



Your Small Business Resource

SBA National Ombudsman's 2004 Report to Congress

Securing Rights & Benefits for Small Business

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Acronyms and Abbreviations

ADA	Americans with Disabilities Act
AMS	Agricultural Marketing Service
CMS	Centers for Medicare & Medicaid Services
CPSC	Consumer Product Safety Commission
DOD	Department of Defense
DOL	Department of Labor
DOT	Department of Transportation
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration
FCC	Federal Communications Commission
FDA	Food and Drug Administration
FDIC	Federal Deposit Insurance Corporation
FSIS	Food Safety and Inspection Service
FY	fiscal year
HACCP	Hazard Analysis and Critical Control Point
INS	Immigration and Naturalization Service
IRS	Internal Revenue Service
NCUA	National Credit Union Administration
NLRB	National Labor Relations Board
OMB	Office of Management and Budget
ONO	Office of the National Ombudsman
PBGC	Pension Benefit Guaranty Corporation
RegFair	Regulatory Enforcement Fairness
SBA	Small Business Administration
SBPRA	Small Business Paperwork Relief Act of 2002
SBREFA	Small Business Regulatory Enforcement Fairness Act of 1996
TAS	Taxpayer Advocate Service
TEAM	Targeted Entrepreneur Area Market
TIN	taxpayer identification number
USDA	U.S. Department of Agriculture

The ONO Mission

The Office of the National Ombudsman (ONO) was created pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). Specifically, SBREFA directs the Ombudsman to:

- Conduct Hearings in each of the 10 Federal regions to solicit comments regarding Federal regulatory enforcement activities from small business concerns.
- Work with each Federal agency with regulatory authority over small businesses to ensure that small business concerns that receive or are subject to an audit, on-site inspection, compliance assistance effort, or other enforcement-related communication or contact by agency personnel are provided with a means to comment on the enforcement activity conducted by such personnel.
- Establish a means to receive comments from small business concerns regarding actions by Federal agencies or agency employees conducting compliance or enforcement activities with respect to the small business concern. ONO also refers appropriate comments to the Inspector General of the affected agency whenever egregious behavior is alleged. If requested, ONO will maintain confidentiality with regard to the person and small business concern making such comments, to the same extent as employee identities are protected under section 7 of the Inspector General Act of 1978 (5 U.S.C. App.).
- File an annual report with Congress and affected agencies wherein enforcement activities are evaluated based on substantiated comments received from small business concerns and input from the Regulatory Enforcement Fairness (RegFair) Boards.
- Provide affected agencies with an opportunity to comment on draft reports.

What is an unfair enforcement action?

It can be repetitive audits or inspections, unreasonable fines or penalties, or threats and/or acts of retaliation by a Federal agency.

The Office of the National Ombudsman within the U.S. Small Business Administration seeks to foster a more small business friendly Federal regulatory enforcement environment.

ONO Regional Regulatory Enforcement Fairness Board Members, FY 2004

The Small Business Regulatory Enforcement Fairness Act of 1996 authorized the National Ombudsman and the creation of 10 Regional Regulatory Enforcement Fairness Boards to help small businesses hold Federal regulators accountable for their unfair enforcement actions. Testimony gathered at RegFair Hearings about Federal regulatory activity and comments, concerns, and complaints filed with the National Ombudsman are reported to Congress each year. ONO forums around the country allow small business owners to bring their concerns directly to the RegFair Boards, which enables small businesses to come forward without having to go to Washington, D.C.

RegFair Board members are appointed by the Administrator of the Small Business Administration (SBA). All RegFair Board members are volunteers, and all are small business owners, operators, or officers. Achieving diversity is a major goal in selecting RegFair Board members so that they accurately reflect the small business communities they represent. This diversity extends to profession, business goals, gender, geography, market size (e.g., small, medium, large, rural, and urban), ethnicity, and revenues. In FY 2004, the following people served on these Boards:

Region I

Leo R. Blais
Pawtuxet Valley Prescription Ctr., Coventry, RI

James M. Knott, Sr., Chair
Riverdale Mills Corporation, Whitinsville, MA

David A. Tibbetts, Esq.
Smith, Segel & Sowalsky, Boston, MA

Larry S. Schneider
Coldwell Banker, Newcastle, ME

Laura L. Monica
High Point Communications Group, Bow, NH

Region II

W. Timothy Howes, Chair
Howes & Howes, Raritan, NJ

Jose M. Garcia-Ramis
Action Service Corporation, San Juan, PR

Eric Jenkusky
Spark Management Resources, Oneonta, NY

Region III

Pamela Mazza, Chair
Piliero, Mazza & Pargament, Washington, DC

Martin Shaffer
American Vending, Clarksburg, WV

Frank A. Ursomarso, Sr.
Union Park Automotive Group, Inc., Wilmington, DE

Felix J. Jackson
DataProbe Technical Service, Owings Mills, MD

Beverly Donati
White Oak Turf Care, Richmond, VA

Region IV

R. Bruce McCrory, Chair
Kiker Corporation, Mobile, AL

Paul Hsu, Ph.D.
Manufacturing Technology, Inc., Fort Walton Beach, FL

George Dobbins, Jr.
Southern Communications Systems, Memphis,
TN

Douglas McFarland
Radio Station 98.9 - Charleston, Mt. Pleasant, SC

Stanley L. King
S. L. King & Associates, Atlanta, GA

Region V

Lyle J. Clemenson, Chair
Clemenson Enterprises, Brooklyn Park, MN

Lloyd E. Falconer*
Seward Screw Products, Inc., Seward, IL

Doug Hilbert
Professional Technical Development, East Lansing,
MI

Region VI

A. Joseph Shepard, Chair
Archway Capital, LLC, Dallas, TX

Harold McAlpine
Christmas Tree Farm, Bismark, AR

Jose Cuevas, Jr.
JumBurrito, Midland, TX

Mary Ann Weems
Weems Galleries and Framing, Albuquerque, NM

Regina Hamilton
Jones, Walker, Waechter, Poitevent, Carrere and
Denegre, LLP, Baton Rouge, LA

*It is with deep sorrow that ONO acknowledges the death of Lloyd E. Falconer, 64, of Rockford, Illinois, on November 2, 2004. In 1977, Lloyd joined Seward Screw Products, Inc., where he became an officer of the company. As a constant champion of small business, he was a member of the National Federation of Independent Business and later sat on many national business boards, including the ONO RegFair Board in Region V. His activism was a model for other small business people in terms of taking control of their own destinies. His other roles in the business community included serving as President of Seward Ag Supply, Inc., President of Solarcone, Inc., and member of the Advisory Council on Agriculture, Labor and Small Business of the Federal Reserve Bank of Chicago. Lloyd was a passionate advocate for small business interests throughout his life. He will be greatly missed. He is survived by his mother, Vara Falconer, wife Brenda, children Sarah and Andrew, and grandchildren Alexander and John Luna.

Region VII

Paul Kinyon, Chair
Realty Advisors LLC, Cedar Rapids, IA

Clark Stewart
Butler National Corporation, Olathe, KS

Jeanette Prenger
ECCO Select, Kansas City, MO

James J. Ziebarth
Ziebarth Farms, Wilcox, NE

Nikki Sells
Express Personnel Services, Springfield, MO

Region VIII

James J. Larsen
Sioux Steam Cleaner Corp., Beresford, SD

Salvador Gomez, Jr.
Source One Management, Inc., Denver, CO

Michael Stransky
Gilles, Stransky, Brems & Smith, Salt Lake City,
UT

Nancy Warneke-Gaynor
Gaynor River Bend, Whitefish, MT

Brenda Mosher
Interim Health Care of Wyoming, Casper, WY

Region IX

Frank Ballesteros
PPEP Microbusiness & Housing, Tucson, AZ

Barry M. Gold, Chair
Barry M. Gold & Co., Irvine, CA

Patricia Chevalier
Blue Hawaiian Helicopters, Kahului, HI

Robert L. Gore
Becker Realty Corporation, Las Vegas, NV

Kimberly King
King Security Services, San Francisco, CA

Region X

Milford Terrell, Chair
DeBest Plumbing & Mechanical, Inc., Boise, ID

Michael Dahmer
Systems Associates, Inc., Jerome, ID

Carl Grossman
Public Private Partnerships, Inc., Portland, OR

Shiao-Yen Wu
9500 Roosevelt Way NE, Seattle, WA

Sue Linford
Linford of Alaska, Anchorage, AK

Message from the SBA Administrator

I am pleased to present to you the Small Business Administration's *National Ombudsman's 2004 Report to Congress*.

Early in his Administration, President George W. Bush launched a very proactive Small Business Agenda, which emphasized lower taxes, less regulation, and greater advocacy on behalf of this vital segment of our economy. Through Bush Administration efforts, small businesses received \$75 billion in tax cuts and enjoyed \$6 billion in cost savings last year due to advocacy efforts to ease compliance with overly burdensome Federal regulations.

Another key component to advocacy is the work done by the Office of the National Ombudsman, under the leadership of National Ombudsman Michael Barrera. Congress created this office in 1996 to give small businesses a voice when they believed that a Federal agency or representative was treating them unfairly. The results achieved in 2004 are impressive. The Office of the National Ombudsman has become a force in the regulatory environment for small business, as the contents of this annual report to Congress attest.

Going forward, we at SBA and the Office of the National Ombudsman will not rest on our laurels. We will continue to strive to serve small businesses and respond to their needs, particularly with regard to lifting the Federal regulatory burden off their backs. Doing so will free small businesses to grow, create jobs, be innovative, and contribute even more to our Nation's economy. In the process, we will help small business owners attain their own version of the American Dream.



Hector V. Barreto
SBA Administrator



Introduction by National Ombudsman Michael Barrera

In fiscal year 2004, the Office of the National Ombudsman continued to “raise the bar” in advocating for America’s small businesses. Due to our increased outreach and the efforts of our RegFair Board members, we received 445 comments and participation from small businesses and trade associations representing more than half a million members. Attendance at ONO RegFair Hearings grew as awareness of our effectiveness on behalf of small business increased.

Consistent with President George W. Bush’s Small Business Agenda, ONO is committed to taking the unfair regulatory burden off the backs of small business. To that end, we continued to promote change within Federal agencies. Owing to the President’s leadership, Federal agencies are adopting a more small business friendly approach to America’s entrepreneurs by encouraging compliance assistance instead of enforcement as the first action taken when working with a small business. Our message to Federal regulators is to remember that most small businesses want to play by the rules and do not intend to violate regulations. Rather, in many cases, small businesses simply “don’t know what they don’t know” and they need their government’s assistance, not interference. We feel this message has resonated with Federal agency personnel here in Washington, D.C., and across the country. Four years ago, no one would have imagined that a member of the President’s Cabinet would conduct a day-long training session for regulators on compliance assistance. Yet on September 23, 2003, Labor Secretary Elaine Chao did exactly that and personally presided over the session to emphasize the importance President Bush places on helping small business.

ONO has held Hearings in 43 States over the last three years. As we traveled the country, we listened to the concerns of small business and carried their issues to the Federal agency involved. We also increased our efforts to reach out to minority, women, and veteran small business organizations to make them aware that the National Ombudsman is ready and willing to help them with any challenges they experience with Federal agencies. Moreover, in FY 2004, attendance by Federal agency representatives increased at our Hearings and often resulted in the resolution of issues at the Hearing itself. I especially want to commend the Department of Labor, the Internal Revenue Service, and the Department of Agriculture’s Food Safety and Inspection Service for attending *every* RegFair Hearing.



I am pleased that the President and SBA Administrator Hector Barreto have entrusted me and my staff with this important responsibility. This report to Congress represents the results we have achieved and reflects our progress in encouraging Federal agencies to understand the needs and dreams of small business.

A handwritten signature in black ink, appearing to read 'M. Barrera', with a stylized flourish at the end.

Michael L. Barrera
National Ombudsman

Executive Summary

In FY 2004, the Office of the National Ombudsman concentrated on strengthening its staff and increasing its outreach efforts to small business. Additionally, ONO trained 28 Regulatory Enforcement Fairness Board members, who went on to play important roles in conducting outreach and marketing to raise awareness of ONO and elicit participation at RegFair Hearings. This approach paid off in FY 2004. Nationwide, ONO conducted 18 Hearings in 18 States and 10 regions, and received a total of 445 comments from small business owners. This number is up from 412 comments in FY 2003, 319 in FY 2002, and 22 in FY 2001. Also, ONO held the first-ever national-level Hearing in Orlando, Florida, in May 2004, featuring testimony from small business owners from around the country. The increase in comments received demonstrates ONO's growing impact among its small business constituents.

ONO solidified old and established new partnerships in FY 2004 with the Federal agencies that regulate small businesses, working together to make the relationship between government and industry one of mutual benefit. ONO also continued to work closely with SBA's Office of Advocacy to respond to the needs of small business and to the President's message that "small business matters."

ONO rated 60 Federal regulatory agencies and divisions in FY 2004, using seven rating criteria: timeliness, quality of response, existence of a non-retaliation policy, provision of compliance assistance, participation in RegFair Hearings, provision of SBREFA rights notice, and compliance with the Small Business Paperwork Relief Act of 2002. The agency response rate to filed comments increased along with the quality of the responses. Nationally, agencies significantly increased the amount of compliance assistance training they gave small businesses and continued to demonstrate best practices in how they addressed their SBREFA responsibilities. ONO is especially pleased to see the growing number of agencies that have established written non-retaliation policies: 32 agencies now have written policies in place, 10 more than last year and 18 more than in FY 2002.

Even though positive changes continue to be made in the regulatory enforcement arena, small businesses still feel the unequal effects of regulatory enforcement actions. Across the country at Hearings and Roundtables, trade association meetings, and small business forums, ONO heard about the high cost of compliance and agency errors, the frustration of confusing and changing regulations, and the unreasonableness of overly

"I notice a real change in the attitude of State and Federal bureaucrats in terms of working with small business owners."

—Bill Smith, State Director, National Federation of Independent Business, Madison, WI, Hearing, April 2004

Small Businesses Drive Our Economy

Small businesses—those independently owned and operated with fewer than 500 employees—represent more than 99.7 percent of all employer firms, and were responsible for *all* net new jobs in 2000–01; in fact, they have generated 60–80 percent of net new jobs annually over the last decade. Numbering 25 million in the United States, small businesses represent over 50 percent of our gross domestic product. They also:

- Employ half of all private sector non-farm employees.
- Employ 39 percent of private sector workers in high-tech occupations (according to the Census Bureau).
- Are 53 percent home-based and 3 percent franchises.
- Make up 97 percent of all identified exporters, producing 29 percent of the known export value in FY 2001.

Source: SBA Office of Advocacy, “Small Business by the Numbers,” 2004, www.sba.gov/advo/stats/sbfaq.pdf.

rigorous requirements. Cost of compliance is a major concern of small businesses: those with fewer than 20 employees spend \$6,975 a year per employee to comply; this is 60 percent more than for firms with at least 500 employees.¹ ONO counters these costs by helping small businesses seek relief from excessive regulatory enforcement burdens. The first ONO economic impact study, prepared in FY 2004, showed that ONO saved small businesses at least \$19.7 million in 2003.²

RegFair Board members are ONO’s “eyes and ears” across the country. Working with SBA field offices, Board members engage in myriad activities to spread the word about ONO and to elicit small business concerns. In FY 2004, ONO media exposure had potential audience of 19.78 million people, reaching roughly 9 million small businesses through trade associations, chambers of commerce, newsletters, and media outlets.³

Trade associations have been an effective communications channel for ONO. In FY 2004, trade association attendance at ONO Hearings and Roundtables reflected representation of more than 589,000 small business members. This past year, the focused efforts of one trade association, with leadership from a RegFair Board Chair and ONO, resulted in 100 comments filed in response to the actions of a single regulatory agency.

ONO also continued its outreach to Federal agencies to increase their participation and to improve comment and response efficiency connected to the SBREFA process. Many agencies in turn have increased outreach to small business entities through their websites and other means, including seminars and workshops. Federal agencies have also made important strides in civil penalty abatements, reductions, or waivers extended to small entities, which in FY 2003 and FY 2004 totaled nearly \$3.9 billion combined.

ONO continued to respond to the needs of emerging small business communities, holding 14 Targeted Entrepreneur Area Market—TEAM—Meetings in FY 2004 to apprise leadership from emerging and diverse small business groups about ONO services.

Looking ahead, ONO will continue to develop and engage in innovative outreach efforts to leverage resources through optimal use of technology and the Internet; partnerships with SBA and other Federal agencies, trades, and chambers; and outreach to small businesses, community organizations, and media outlets. ONO will work with its resource partners and with Federal regulatory enforcement agencies to carry out the President’s mandate to help small businesses succeed, thereby helping the country’s economy as a whole.

¹W. Mark Crain and Thomas D. Hopkins, “The Impact of Regulatory Costs on Small Firms” (Washington, DC: SBA Office of Advocacy, 2001).

²Jonathan Skolnik and Paul Nguyen, “Saving Small Business from Excessive Enforcement: An Economic Impact Analysis of the Office of the National Ombudsman” (Washington, DC: SBA ONO, 2004).

³This number was obtained by combining attendance at Hearings and Roundtables with a percentage of Arbitron rating findings for various media in which ONO had exposure (see appendix).

1

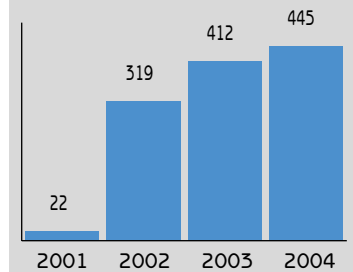
ONO Results in Brief

The following summarizes notable Small Business Administration (SBA) Office of the National Ombudsman (ONO) accomplishments during FY 2004:

- ONO conducted 18 Hearings in 18 States and 10 regions—two were bilingual, one in English/Spanish, and one in English/Mandarin Chinese. ONO also held an inaugural national-level Regulatory Enforcement Fairness (RegFair) Hearing in Orlando, Florida, on May 21, in conjunction with the “SBA Expo ’04: Celebrating National Small Business Week” conference. Testimony from small business owners nationwide was heard, and RegFair Board members presented comments from small business owners in their regions.
- ONO received a total of 445 comments from small businesses, up from 412 in FY 2003, 319 in FY 2002, and 22 in FY 2001 (figure 1-1).
- ONO hosted two interagency meetings last year and held 14 Targeted Entrepreneur Area Market (TEAM) Meetings around the country. TEAM Meetings facilitate efforts to target leadership from emerging and diverse small business groups.
- In FY 2004, 10 agencies joined the growing list of those with written non-retaliation policies; 32 agencies now have written policies in place, up from 14 in FY 2002.
- The first Office of the National Ombudsman economic impact analysis was prepared in FY 2004. According to the study, ONO saved small businesses at least \$19.7 million in 2003.¹
- ONO performed more than 439 customer assistance actions via telephone and email, and wrote and distributed six E-Blast electronic newsletters to 2,800 subscribers, up from 2,000 subscribers in FY 2003.
- ONO held five RegFair Board member meetings/conference calls in FY 2004 and trained 28 RegFair Board members.
- ONO Hearings and other meetings in FY 2004 drew the attendance of representatives from a variety of business service and trade organizations, whose collective membership totaled 589,581.
- Interviews and exposure through all media reached a potential audience of 19.78 million in FY 2004. ONO

¹Jonathan Skolnik and Paul Nguyen, “Saving Small Business from Excessive Enforcement: An Economic Impact Analysis of the Office of the National Ombudsman” (Washington, DC: SBA ONO, 2004).

Figure 1-1. Number of Comments Received, 2001–04



Our Partners Voice Their Support...

"We share [ONO's] interest in reducing the regulatory burden placed on small businesses and look forward to a continued partnership with your office in achieving the goals of the Small Business Regulatory Enforcement Fairness Act." —*Michael Chesman, Director, Office of Taxpayer Burden Reduction, Internal Revenue Service*



"ONO should be viewed as an important piece of the regulatory puzzle that small businesses face. While SBA's Office of Advocacy gives small businesses a presence prior to the issuance of regulations, the National Ombudsman gives them recourse subsequent to that issuance, which really is an important part of trying to provide help to the small business community—help that is very necessary for small businesses." —*Giovanni Coratolo, Director of Small Business Policy, U.S. Chamber of Commerce*

reached roughly 9 million small businesses through trade associations, chambers of commerce, newsletters, and media outlets.² RegFair Board member outreach activities were one of the main drivers in achieving these outstanding results.

- Under the Small Business Paperwork Relief Act of 1992 (SBPRA), Federal agencies in FY 2004 reported to the National Ombudsman nearly \$2 billion in civil penalty abatements, reductions, or waivers for small entities. For 2003 and 2004 combined, the reported total will be nearly \$3.9 billion. Additionally 120,691 fewer civil penalties were assessed in FY 2004 (versus FY 2003) in terms of enforcement actions involving small entities.
- As a result of the leadership of the Region I RegFair Board Chair, ONO received 100 comments from small business pharmacies protesting a Food and Drug Administration (FDA) ruling on compounding of drugs for use in animals—a ruling that affected pharmacists' bottom line *and* their ability to practice good medicine for their animal patients. Through ONO follow-up efforts, FDA agreed to review and revise its rules to be more equitable to small pharmacies. This result affects several thousand small pharmacies nationwide.
- In FY 2004, ONO's efforts on behalf of small business concerns netted multiple success stories, including these:
 - ONO helped save a Utah farming business more than \$4,600 through a comment filed with the Internal Revenue Service (IRS) that resulted in no money owed.
 - ONO helped a pharmacy company stay in business by facilitating correction of an address error that was keeping \$500,000 in benefit payments from arriving, severely threatening the small firm's survival.
 - ONO helped a small tax preparation firm avoid \$3,100 in fines by facilitating an exchange (via a video Hearing from Spokane, Washington) with a representative of IRS's Taxpayer Advocate Service (TAS), who agreed to authorize a means for the company to verify taxpayer ID numbers before submitting reports, thereby avoiding penalties.
- Federal agencies engaged in innovative compliance assistance efforts in FY 2004 to help small businesses understand regulations rather than just penalize them for violations.
 - The U.S. Coast Guard offers commercial fishing vessels free dockside examinations to assess compliance with requirements; when discrepancies are found, it issues a "work list" but no citation.
 - The Equal Employment Opportunity Commission (EEOC) increased its no-cost outreach and

²This number was obtained by combining attendance at Hearings and Roundtables with a percentage of Arbitron rating findings for various media in which ONO had exposure (see appendix).

- education programs targeting small businesses; and, in its St. Louis District Office, EEOC partnered with the local chamber of commerce and a Small Business Development Center at a local university to offer free training sessions for small business owners and entrepreneurs.
 - The Pension Benefit Guaranty Corporation (PBGC) uses alternative dispute resolution to achieve consensual resolution in compliance and enforcement matters.
 - The Office of Hazardous Materials Safety within the Department of Transportation's (DOT's) Research and Special Programs Administration answers questions via a dedicated toll-free line.
 - "Tax Talk Today," a monthly IRS program about current tax issues and policies, allows viewers to ask questions via email, fax, or telephone (www.taxtalktoday.tv/).
 - The Department of Labor (DOL) launched an innovative outreach effort to help employers and employees understand its updated overtime pay regulations. A free, interactive Web-based tool allows users to apply the updated rules to their specific employment situations.
- Federal agencies made greater efforts to inform small businesses of their right to comment when violations are issued, this criterion being new last year. Agencies have stepped up to the plate, as these examples show:
- As part of their exit conference, inspectors working for the Food Safety and Inspection Service (FSIS) within the U.S. Department of Agriculture (USDA) provide management with a host of informational contacts to help them with food safety and impending enforcement actions. This information has provided valuable linkages with university outreach programs that help businesses come into compliance.
 - Community outreach conducted by the Department of Commerce's Community-Oriented Policing and Problem Solving program includes providing guidance on a variety of regulatory issues through nationwide industry workshops, town hall meetings, and temporary help lines.
 - Customs and Border Protection updated its legacy Immigration and Naturalization Service (INS) procedures to include, for the first time, a Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) Notice with all assessments of immigration law violations.
 - The Federal Aviation Administration (FAA) requires enforcement personnel to enclose in every penalty notice or letter a statement advising the small entity of its right to contact the National Ombudsman and how to do so. The statement also assures small entities that they can express their concerns without fear of penalty or retaliatory acts.

...More Partners, More Support

"The National Ombudsman's Office, in terms of fighting the fight against agency abuses, is indispensable. It's an indispensable tool for small business." —*Andrew Langer, Manager, Regulatory Policy, National Federation of Independent Business*



"I think the fact that the National Ombudsman has been persistent with Federal agencies, who in turn have been receptive to helping small businesses, is providing both a carrot and a stick to making great progress. There is no doubt that the aggressiveness of National Ombudsman Barrera has made a big, big, difference in the way that agencies are dealing with small businesses across the country—and I've been involved with regulatory compliance issues since 1997."

—*Thomas G. Hicks, Sr., Supervisory Small Business Regulatory Compliance Advisor, U.S. Department of Labor, Office of Small Business Programs*

2

Rating Federal Agency Response to Small Business

Agencies are increasingly taking small business comments to heart, particularly as the National Ombudsman continues to heighten follow-up efforts to hold them accountable. Agencies were more responsive to small businesses in FY 2004 and provided more compliance assistance training, guidance, and encouragement to small businesses.

Agencies also increased their efforts to educate Federal employees, often incorporating SBREFA requirements into personnel training curricula, thereby encouraging a more cooperative atmosphere with the businesses they regulate.

The Comment Process

ONO has several methods for receiving comments from small businesses. Comments are delivered by U.S. mail, at Hearings, online via the ONO website (www.sba.gov/ombudsman), or by email (ombudsman@sba.gov), fax, or toll-free telephone (1-888-REG-FAIR or 1-888-734-3247). The ONO comment form (SBA 1993, Federal Agency Comment Form) is also available at www.forms.gov. Figure 2-1 (right) illustrates the breakdown of how comments were received in 2004. The trend is for much greater use of ONO's website to file comments, in-

creasing efficiencies for the Office as well as the busy small business person. On the website, commenters can fill out a form online and instantly transmit their comments to ONO; this is part of the Office's continuing efforts to streamline its processes and reduce filing time. Small businesses that fear retaliation may register their comments confidentially.

All comments received are reviewed to ensure that they are within ONO's jurisdiction. If a "yes" answer can be given to these three questions, then ONO has jurisdiction:

1. Are you a small business owner, small government entity (i.e., those serving populations below 50,000), or small nonprofit organization?
2. Is your comment about a *Federal* Government agency?
3. Have you been the subject of unfair or excessive regulatory enforcement action by a Federal agency?

If jurisdiction exists, a letter is sent to the commenter indicating that the comment has been forwarded to the appropriate Federal agency. Many times, small businesses submit comments that address what may be hot-button issues for them but are outside of ONO's jurisdiction,

Figure 2-1. How Comments Were Received

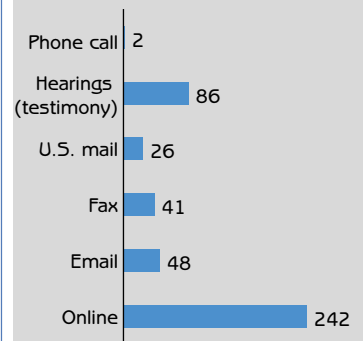
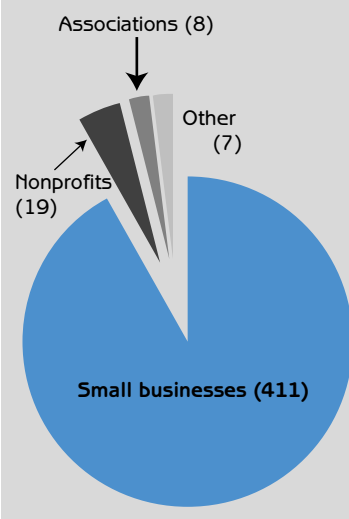


Figure 2-2. Breakdown of Comment Filers



We may not always promise a small business the answer they want, but we will try to get them an answer or someone who can provide them an answer.

*—National Ombudsman
Michael Barrera*

such as when the commenter is not a small business or the issue pertains to a State issue. In these cases, the commenter is sent a letter referring him or her to the appropriate authority; in some cases, the comment itself is referred by ONO directly to the agency.

Of the 445 total comments submitted in FY 2004, 266 were within ONO's jurisdiction. The remaining 179 comments were referred to other agencies and/or departments within SBA, thereby fulfilling another major ONO goal: to put small business people in touch with those who can help them—even when it is not ONO. Figure 2-2 shows a breakdown of who filed comments in FY 2004.

Once a comment is reviewed and jurisdiction determined, the small business is asked for substantiating documentation. This information includes dates, locations of the business, and an explanation of why the small business believes it was treated unfairly. The completed packet is then forwarded to the appropriate Federal agency, with a letter from ONO containing a list of seven questions for the agency to answer (see sidebar, next page). By asking these questions, ONO can assess the degree to which an agency considered the

effects of its enforcement action on small business and the kinds of quality controls and follow-up activities that took place, such as conversations with field personnel about a particular case.

Generally, ONO faxes and/or emails the paperwork to agencies and works with a designated agency contact, helping to expedite the response. If the commenter alleges retaliation or any grossly unprofessional type of activity, ONO will refer the comment to the Inspector General within the particular agency.

Once an agency response letter is received, ONO forwards a copy to the small business. In some cases, fines are reduced or eliminated and decisions changed in favor of the small business (see success story below). If an agency foresees a delay in responding, it is asked to send a detailed letter to ONO stating the reason(s) why. Again, ONO received quality responses in 2004, with nearly every agency receiving an "A" rating for this criterion.

Rating the Agencies

ONO is required to rate Federal agencies on how they respond to the comments of small businesses and entities. The rating

ONO Helps Mining Company Win Favorable Decision

A mining company filed a comment on two citations it received from the Mine Safety and Health Administration for late filing of quarterly reports, which the company had mailed on time. The comment was sent to the Department of Labor, which rescinded the citations, finding that the reports were, in fact, filed on time. The Assistant Secretary of Labor for Mine Safety and Health Administration, David D. Lauriski, personally apologized to the small business owner involved for the time and effort expended.

process allows agencies to work toward achieving regulatory enforcement fairness objectives, according to the criteria on which they are evaluated. In basic terms, ONO is looking at agencies for their openness in providing information on regulatory requirements and for their fairness in enforcing them. Federal agencies are increasingly cooperating with ONO and conducting more outreach with small businesses, continuing to change the regulatory enforcement culture to a more small business friendly one.

Timeliness and quality of response are important objectives, as is the development or strengthening of non-retaliation policies and attendance at Hearings and Roundtables. Availability of regulatory enforcement compliance assistance is also an important objective and therefore an evaluative criterion, as is the provision of notice when citations are issued, including agencies informing small businesses of their right to comment to the National Ombudsman. Agency compliance with SBPRA requirements was also evaluated for the first time in FY 2004. Table 2-1 later in this section presents an evaluation and rating of agency responsiveness to the FY 2004 rating criteria.

Federal Agency Rating Criteria for 2004

Below are the seven criteria used to rate Federal agency response to small business concerns in FY 2004. The italicized text represents changes planned for FY 2005.

1. Timeliness¹ in responding to small entity comments.
 - Over 30 days
 - Over 60 days
 - Over 90 days
 - Over 120 days
2. Quality of response to small entity comments.
 - The agency addressed the questions posed in ONO's letter to it forwarding the comment [to be added in FY 2005: *and responded to the specific comment made by the small entity*].
 - The agency response came from a high-level representative (i.e., someone from the SBREFA office at the agency or someone from the program office directly related to the comment).
 - The agency provided detailed information showing that it looked into the facts of the specific comment and the actions of the individual(s) agency personnel involved in the enforcement activity.
 - The agency responded [in FY 2005: *or took corrective action(s) including, but not limited to, reducing or waiving penalties, adopting a new policy to avoid recurrence of an inappropriate result, or conducting additional out-*

¹Response time is calculated from the day the comment is forwarded to the agency until it is received by the ONO. Although ONO may accept requests for additional time to respond, the clock, for rating purposes, does not stop.

Questions Asked of Federal Agencies Receiving Comments

- Why and how did you take the enforcement or compliance action?
- Did you notify the small business about the enforcement or compliance action? If so, did your agency provide the business an opportunity to come into compliance?
- Did you review the action of the investigator, auditor, inspector, or individual to ensure compliance with your agency's policies and procedures?
- Were your agency's regional and program offices responsive to the small business?
- Was the small business informed of its right to contact the Office of the National Ombudsman?
- Did your agency consider alternatives such as waiving penalties or reducing fines before seeking an enforcement action against the small business?
- As a result of the issues raised by this small business concern, has your agency implemented any changes to address this situation in the future? If so, please describe the changes implemented.

“We try to make it easier for small business to do what they do best—conduct business.”
 —National Ombudsman
 Michael Barrera

reach with compliance assistance] to the comment made by the small entity.

3. Agency non-retaliation policy.

- The agency has adopted a written non-retaliation policy.
- The agency ensures its employees are aware of its non-retaliation policy.
- The agency ensures small entities are aware of [in FY 2005: *and may access*] its non-retaliation policy.
- Agency employees and small entities are aware of the consequences of not adhering to the agency non-retaliation policy.

4. The agency establishes a baseline and provides measurable regulatory enforcement compliance assistance, with increase expressed in percent over baseline.

- The agency provides small entities with a compliance assistance telephone number.
- The agency provides a compliance assistance website.
- The agency makes a compliance assistance employee available to small entities.
- The agency provides [in FY 2005: *and documents*] compliance assistance education.

5. The agency participates in Regulatory Enforcement Fairness Hearings and

meetings when issues related to their mission are presented in testimony.²

- More than 90 percent of the time.
- More than 80 percent of the time.
- More than 70 percent of the time.
- More than 60 percent of the time.

6. The agency [in FY 2005: *establishes a policy wherein it*] provides written and verbal notice to small entities when a citation or notice of regulatory violation is issued. [In FY 2005: *Policy should include, but not be limited to*]:

- The agency provides written notification of SBREFA rights to small business concerns.
- The agency informs small business concerns of their right to comment about the enforcement/compliance process to the National Ombudsman’s Office.
- The agency verbally informs small entities of their right to comment about the enforcement/compliance process to the National Ombudsman’s Office.
- The agency provides in writing [in FY 2005: *and/or on appropriate website locations*] the National Ombudsman’s Internet address, www.sba.gov/ombudsman, to small entities.

7. The agency complies with reporting requirements of the Small Business Paperwork Relief Act of 2002, H.R.

²If no issues related to the agency’s mission are presented during the fiscal year, this criterion will be rated as not applicable (N/A).

327-5, paragraphs 1, 2, 3, and 4, and presents a copy of these reports to ONO on or before the due date established by statute. The following information should be included:

- The number of enforcement actions in which a civil penalty is assessed.
- The number of enforcement actions in which a penalty is assessed against a small entity.
- The number of enforcement actions in which a civil penalty is reduced or waived for small entities.
- The total monetary amount of reductions or waivers against small entities.

In FY 2004, ONO used the questionnaire form shown in figure 2-3 to gather the information needed from agencies to determine their ratings.

Examining Federal Agency Response

ONO rated 60 Federal regulatory agencies and their divisions in resolving complaints about excessive enforcement of Federal regulations (see table 2-1). This rating, which is somewhat comparable to a “customer satisfaction” rating for the different agencies, is based on how they responded to the seven criteria delineated in the sidebar on page 7. Agencies receive a grade for each criterion, with all grades then averaged for a final rating.

Federal agencies made great strides in improving the Federal enforcement environment in FY 2004. Response time im-

proved, and a dramatic increase occurred in the compliance assistance offered to small businesses.

Agency Comments Regarding Ratings

After ONO completed its initial draft report, it was posted to the ONO website for comment by the agencies and RegFair Board members. Several agencies responded and adjustments were made. The following agency comments are those ONO determined did not justify a rating change:

Figure 2-3. ONO Questionnaire to Agencies for FY 2004 Annual Report

To assist the National Ombudsman in correctly rating your agency in the FY04 Annual Report to Congress, your input is needed on the following items for your agency: _____

1) Do you have a written/online non-retaliation policy? Yes ___ No ___

a) How do small businesses access this information?

b) How is it disseminated throughout your agency or sub-agencies?

2) How do you provide compliance assistance to small business?

3) What tools do you use to inform small business on SBREFA rights and how to contact ONO?

4) To confirm our records, please list the ONO Hearings and Roundtables where you had agency representation in attendance.

(Hearings)	(Roundtables)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Table 2-1. Rating of Agencies According to FY 2004 Criteria

Agency	Timeli- ness	Quality of Response	Non- Retal- iation	Compl- iance Assistance	RegFair Partici- pation	Informs Small Business	SBPRA Re- port Sub- mitted	Annual Rating
Agriculture	B	A	B	B	C	A-	B	B
Agricultural Marketing Service	B	A	B	B	N/A	A	B	B+
Animal Plant Health Inspection Service	C	B	A	A	N/A	A	B	A-
Food Safety and Inspection Service	B	A	A	A	A	A	B	A-
Food and Nutrition Service	A-	A	C	C	C	C	B	B
Forest Service	D	A	C	C	C	C	B	B
Foreign Agricultural Service	A-	A	N/A	N/A	N/A	A	B	A
Rural Development	N/A	N/A	C	C	N/A	C	B	B+
Commerce	B+	A	A	A	N/A	A	B	A-
Commodity Futures Trading Commission	N/A	N/A	A	A	N/A	A	A	A
Consumer Product Safety Commission	N/A	N/A	A	A	N/A	A	C-	A-
Defense	B+	A	F	F	N/A	F	F	D+
U.S. Army Corps of Engineers	B	A	F	F	N/A	F	F	D+
Defense Contract Management Agency	B+	A	C	C	N/A	C	F	C+
Air Force	N/A	N/A	F	F	N/A	F	F	F
Energy	D+	A	F	C	N/A	A	B	C
Environmental Protection Agency	C	A	A	A	A	A	C	B+
Equal Employment Opportunity Commission	A-	A	A	A	A	A	A	A
Federal Communications Commission	A-	A	B	B	A	A	A	A-
Federal Deposit Insurance Corporation	N/A	N/A	A	A	N/A	A	A	A
Federal Energy Regulatory Commission	A	A	A	A	N/A	A	A	A
Federal Reserve System	N/A	N/A	A	B+	N/A	A	A	A
Federal Trade Commission	A	A	A	A	N/A	A	A	A
General Services Administration	A-	A	F	A	N/A	A	F	B-
Health and Human Services	C	A	A	B	C	A	B	B+
Centers for Medicare & Medicaid Services	C+	A	A	A	A	A	B	B+
Food and Drug Administration	B	A	A	A	A	A	B	A-
Homeland Security	A	A	C-	A	A	A	F	B
Coast Guard	A-	A	A	A	N/A	A	C	A-
Customs and Border Protection	A-	A	A	B	A	A	A	A-

■ Commenting on its timeliness grade of “C,” the Environmental Protection Agency (EPA) said that an emphasis on rapid response may come at the expense of efforts to provide both SBA and the commenter with meaningful information. EPA advocates that ONO allow Federal agencies 45 days to respond so as to strike a balance be-

tween a timely response and an informative one.

■ The Department of Labor’s Wage and Hour Division requested reconsideration of its final grade, believing it should be an A- and not a B+, based on the average it obtained when assigning particular numerical values to each grade (i.e., A+=97, A=95, A-=90, etc.).

Table 2-1. Rating of Agencies According to FY 2004 Criteria (continued)

Agency	Timeli- ness	Quality of Response	Non- Retal- iation	Compl- iance Assistance	RegFair Partici- pation	Informs Small Business	SBPRA Re- port Sub- mitted	Annual Rating
Citizenship and Immigration Services	D-	A	C	C	C	C	F	C-
Housing and Urban Development	C+	B	A	A	N/A	A	A	B+
Interior	B	A	A	B	B	B	A	B+
Bureau of Land Management	B	A	B	A	B	B	A	B+
National Park Service	B	A	C	C	N/A	C	A	B
Internal Revenue Service	C	A+	A	A	A	A	A	A-
Justice	C+	A	A	A	N/A	N/A	F	B
Office of Consumer Litigation	A-	A	C	C	C	C	F	C+
Bureau of Prisons	B	A	C	C	N/A	C	F	C
Bur. of Alcohol, Tobacco, Firearms, & Explosives	F	A	C	C	F	D	F	D
Labor	C+	A	A	A	A	A	A	A-
Occupational Safety and Health Administration	C	A	A	A	A	C+	A	A-
Mine Safety and Health Administration	B	A	A	A	A	B	A	A
Wage and Hour Division	D+	A+	A	A	A	B	A	B+
National Aeronautics and Space Administration	N/A	N/A	A	C	N/A	N/A	F	C
National Credit Union Administration	A-	A	A	A	N/A	C	A	A-
National Labor Relations Board	A	A	N/A	A	N/A	A	A	A
Nuclear Regulatory Commission	N/A	N/A	A	B	N/A	C	A	B
National Science Foundation	A-	A	A	D	N/A	C	F	C+
Pension Benefit Guaranty Corporation	N/A	N/A	A	A	N/A	A	A	A
Securities and Exchange Commission	A-	A	A	A	N/A	A	A	A
Small Business Administration	A	A	A	A	A	A	A	A
State	A	A	A	A	N/A	A	A	A
Transportation	B+	A	A	A	N/A	A	A	A-
Federal Highway Administration	A-	A	A	B	N/A	A	A	A-
Federal Aviation Administration	C	A	A	B	N/A	A	A	B+
Federal Motor Carrier Safety Administration	A	A	A	B	N/A	A	A	A-
National Highway Traffic Safety Administration	N/A	N/A	A	B	N/A	A	A	A-
Research and Special Programs	A-	A	A	B	N/A	A	A	A-
Veterans Affairs	D-	A	C	D	N/A	C	F	C-

Rating Scale: A = 11, A- = 10, B+ = 9, B = 8, B- = 7, C+ = 6, C = 5, C- = 4, D+ = 3, D = 2, D- = 1, F = 0

ONO uses a different scale, as shown in table 2-1 above.

**Timeliness of Response—
Criterion 1**

In FY 2004, more agencies responded comprehensively to the comments and inquiries of small business. Several also responded in a timely manner, with 35 out

of 51 agencies rated receiving between an A and B in this category. Others made efforts to improve their timeliness track records (see sidebar, next page). The Consumer Product Safety Commission (CPSC) views timeliness of response as an important part of overall customer satisfaction and, in FY 2004, the agency’s goal of responding to 80 percent of all small

Agency Resolves to Improve Timeliness

The Federal Aviation Administration has been consistently late in its responses to comments. The Department of Transportation took action, arranging to track responses due from FAA through the agency's Deputy Chief Counsel, to ensure that the comments get the high-level attention they need and in a more timely fashion. The first comment he received was responded to within 10 days, and response time in general has been reduced.

business inquiries within 3 business days was exceeded, as stated in its FY 2004 *Performance and Accountability Report*. EPA (earning a "C" for timeliness) explained that a rapid response might come at the expense of a thorough one. IRS (receiving a "C" for timeliness) expressed similar concerns, and its Taxpayer Advocate Service called for modification of the timeliness criterion to address the complexity of the issues it receives in comments and to ensure that its answer is accurate and complete. A TAS representative argued that a complete answer sometimes requires extensive gathering of documents and a detailed letter documenting each important fact and action that was taken on a particular taxpayer account. The National Ombudsman continues to stress the importance of a timely response and will work with agencies to address responses to the more complex issues.

Timeliness grades are given according to the ranges in table 2-2. Figure 2-4, opposite page, shows how many days on average it took Federal agencies to respond to the comments they received in FY 2004.

Table 2-2. ONO Rating Rationale for Timeliness

Days	Rating
0–20	A
20–30	A-
31–40	B+
41–55	B
56–60	B-
61–70	C+
71–85	C
86–90	C-
91–100	D+
101–115	D
116–130	D-
Over 130	F

Quality of Response— Criterion 2

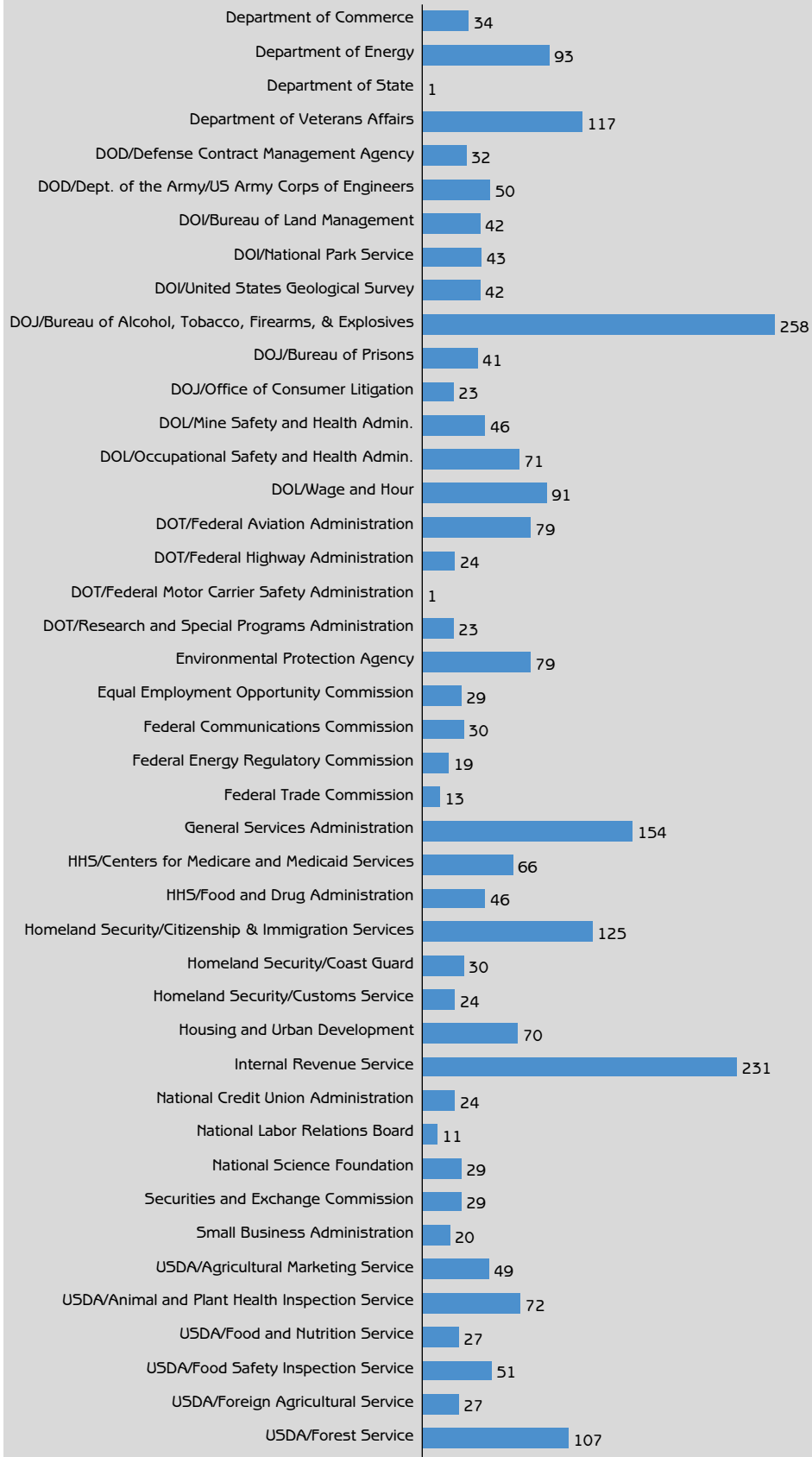
In assessing the quality of a Federal agency's response to a small business comment, ONO determines whether the agency addressed the small business's concern in a sincere and comprehensive manner. ONO expects agencies to steer clear of formulaic, "one-size-fits-all" responses to the seven required questions and instead provide thoughtful answers that

show genuine consideration of the issues raised. Further, Federal agencies earn legitimacy when their high-level executives review and approve the response rather than merely provide a signature. ONO also "rewards" agencies that propose alternatives to fines and penalties, including offers of reductions or waivers, notice of compliance education or assistance, and means of working more cooperatively in the future with small business concerns.

In other words, response quality can mean showing flexibility by offering a compromise or remedy to the concern raised; proposing a means to avoid future problems; or denying the relief sought while providing a thorough and thoughtful answer to the concern—even if it's not what the small business wants to hear. The following examples illustrate the point:

- The majority of IRS responses come from its TAS, whose mission is to resolve taxpayer issues at the point of first contact and recommend changes that will prevent problems in the future. Frequently, TAS representatives attending Hearings will help commenters resolve their issues on the spot. TAS stresses *quality* of response in its dealings with small business.
- In 24 days from the time it received the forwarded comment from ONO, the National Credit Union Administration (NCUA) Executive Director responded to a small credit union's complaint that NCUA improperly denied its request to expand its field of membership. While the response was not

Figure 2-4. Federal Agencies' Response to Comments: Average Number of Days



“Outside the beltway, there is no reason why anyone needs to know the distinction between our offices... Regardless of which face it is, it is the U.S. Government and it is seamless to outsiders. Agencies are responding in a top-down manner to the President’s message that small business matters.”

—Tom Sullivan, Chief Counsel, SBA Office of Advocacy

the one hoped for, it nonetheless addressed the questions posed in ONO's letter and the specific comments made by the small credit union. It included a detailed review of the facts supporting the decision by the appropriate supervisory region and the subsequent decision by the NCUA Board to deny the expanded field of membership. This illustrates that a well-documented "no" is better than no response at all or a protracted "we'll get back to you."

Agency Non-Retaliation Policies—Criterion 3

ONO stresses to agencies the importance of adopting formal *written* non-retaliation policies designed to prevent acts that punish a small business for complaining about an agency action. Agencies are heeding this advice. In FY 2004, 10 agencies joined the growing list of those with written policies—a great achievement and a welcome trend (see figure 2-5 and table 2-3).

Agencies have various means of communicating their non-retaliation policies, many posting them on agency websites. USDA, with multiple sub-agencies, publishes its non-retaliation policies on individual program websites. For example, the policy for USDA's FSIS is posted to the agency's Small and Very Small Plant Outreach home page, with links to materials and other resources for small and very small plants. The site includes a link to the Small Business Protection Laws and the National Ombudsman's website. Examples of other written non-retaliation policies agencies have put in place follow:

- The U.S. Coast Guard distributed its non-retaliation policy through an "ALCOAST" message from the Judge Advocate General. The policy is also the subject of several intranet site links. Further, the Coast Guard's new manual governing its principal regulatory activities makes it clear that before a new regulation takes effect, the agency's SBA liaison officer must review and approve it as being in compliance with policies, including the non-retaliation policy, which is mentioned by name.

- The U.S. Customs and Border Protection non-retaliation policy, included in agency training materials for employees, states in part:

This agency strictly forbids retaliatory acts by its employees. As such, you should feel confident you will not be penalized for expressing your concerns.

- IRS has taken a number of steps to prevent retaliation and has policies in place to deal with it effectively should it happen, including the mandatory termination of IRS employees for specific instances of misconduct.

- NCUA references its non-retaliation policy on the cover page of every examination report given to a credit union as part of what to do if the credit union disagrees with the report:

Any retaliation by NCUA staff against a credit union making any type of appeal will subject the employee to appropriate disciplinary or remedial action by the appropriate supervisor. Such disciplinary or remedial action may include oral or writ-

Figure 2-5. Growth in Number of Agency Non-Retaliation Policies

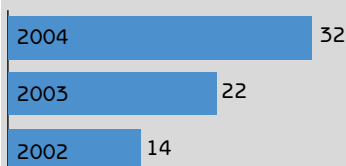


Table 2-3. Agencies Adopting Written Non-Retaliation Policies

In FY 2002	In FY 2003	In FY 2004	Proposed for FY 2005
Agriculture	Animal and Plant Health and Inspection Service	Bureau of Industry and Security	Education
Consumer Product Safety Commission	Commodity Futures Trading Commission	Centers for Medicare & Medicaid Services	
Customs	Federal Trade Commission	Coast Guard	
Equal Employment Opportunity Commission	National Aeronautics and Space Administration	Commerce	
Federal Communications Commission	Occupational Safety and Health Administration	Environmental Protection Agency	
Federal Deposit Insurance Corporation	Small Business Administration	Health and Human Services	
Food and Drug Administration	State Department	Housing and Urban Development	
Interior	Veterans Affairs	Justice	
Internal Revenue Service		National Oceanic and Atmospheric Administration	
Labor		National Science Foundation	
National Credit Union Administration			
Pension Benefit Guaranty Corporation			
Securities and Exchange Commission			
Transportation			

ten warning or admonishment, reprimand, suspension, or separation from employment; change in assigned duties; or disqualification from a particular assignment, including prohibition from participating in any examination of the credit union that was the subject of the retaliation.

- The Department of Transportation reiterated its non-retaliation policy (DOT Policy on the Rights of Small Entities to Enforcement Fairness) in a Department-wide memo that directed DOT agencies to re-disseminate the policy through multiple channels to frontline inspectors and enforcement and compliance personnel, and to their regulated industries, especially small entities.

Agency Regulatory Enforcement Compliance Assistance—Criterion 4

Agencies responded in a variety of creative ways to this rating criterion, which looks not only at the types of regulatory enforcement compliance options made available to small businesses, but at whether the compliance information is easy to find and access. This criterion also examines evidence of *how* the information is getting out and whether agencies have complied with SBREFA requirements to provide compliance assistance education (see sidebar, next page, for success story).

Agencies engaged in multiple efforts to provide this education and assistance, including reaching out to Native American food safety workers and operators of

Proactive Agency Effort Makes for Small Business Compliance

When a small plant in Louisiana, which made a ready-to-eat product, failed an inspection because of the presence of a pathogen, Food Safety and Inspection Service and university experts met with the establishment and instructed them on ways to get rid of it. The plant followed through on these recommendations and submitted an action plan, allowing it to resume operations. A follow-up inspection revealed that the pathogen had been eliminated. According to FSIS, "The success of the plant in eradicating the pathogen from the facility may be directly linked to the SBREFA information provided by FSIS personnel and the assistance provided by the university involved." The company went from blaming the government to thanking FSIS for putting it in touch with the experts who helped it resolve a food safety problem.

slaughtering and processing facilities in several western States and meeting with Alaskan Native reindeer herders on processing and distributing their products. Agencies collaborated with universities to hold Roundtable meetings and workshops; offered multimedia training courses to regulated businesses; attended trade association meetings; and made an array of resources available on their websites and as part of inspections, seminars, classes, symposia, conference calls, and other outreach.

ONO encourages flexible policies that allow small businesses to make a good faith effort to comply with rules and regulations, and rewards compliance assistance efforts that enlarge understanding and are not just an empty exercise to fulfill a requirement. For example, the U.S. Coast Guard offers commercial fishing vessels free dockside examinations to assess their compliance with Coast Guard requirements. If discrepancies are found, a "work list" is prepared for the vessel, but no citation is issued.

Here are other select agency examples:

- USDA's Agricultural Marketing Service (AMS) launched a new interactive CD to be distributed to clients through trade shows, cooperative extension service educational programs, and State Departments of Agriculture. The CD provides complete information on the Federal Pesticide Recordkeeping regulation and how to keep restricted-use pesticide records properly.

- AMS's Fruit and Vegetable Program uses 34 marketing order administrative committees to actively communicate with all small businesses regulated under marketing orders. The committees explain the requirements and issue periodic informational packages written in plain English to keep handlers informed of public meetings, current and proposed regulatory requirements, and compliance procedures.

- USDA's FSIS holds workshops throughout the country and uses Web casting to reach a greater number of people. The agency has continued to conclude cooperative agreements with universities to provide small and very small plants with a more in-depth understanding of Hazard Analysis and Critical Control Point (HACCP) systems and emerging food safety concerns. During FY 2004, the following activities took place:

- Fifteen universities conducted approximately 75 HACCP and food safety training classes across the country, up from 52 in 2003. Approximately 2,065 people attended.
- Five workshops held in 2004 explained new rules designed to prevent human exposure to "mad cow" disease and to *E. coli* O157:H7 bacteria. Approximately 1,594 people attended the workshop.
- Ten food safety seminars and workshops, coordinated with the New Mexico Livestock Board, were held as part of continued outreach to Native American food safety work-

ers and operators of slaughtering facilities throughout the West. Easy-to-understand workbooks were distributed to participants. The workshops had about 500 attendees.

- Both bureaus within the Department of Commerce that regulate small business activities—the National Oceanic and Atmospheric Administration and the Bureau of Industry and Security—conduct vigorous outreach initiatives aimed at educating small businesses about their programs. Additionally, both agencies provide their enforcement agents with training on RegFair issues so they may better respond to small business concerns and provide information about their right to regulatory fairness.
- CPSC recently reviewed its Small Business Ombudsman Program, which it has as a strategic goal, and modified its website to promote small business services, including listing the National Ombudsman email address on CPSC's home page contact information. CPSC also provides compliance assistance at business- and industry-sponsored events held to discuss product safety guidelines and regulatory requirements relevant to products under the agency's jurisdiction, such as flammability standards for upholstered furniture.
- EPA uses multiple mechanisms to provide environmental compliance assistance to small business. These include voluntary programs, toll-free hotlines, newsletters, Internet sites, training, pollution prevention education, facility compliance histories, and industry-specific and general environmental guides. EPA has more than a dozen links on its home page to sites offering compliance assistance.
- EEOC provides no-cost outreach and education programs as well as fee-based training and technical assistance. Updated fact sheets, brochures, and enforcement guidance are available through the website and through EEOC's publication center for no charge. In FY 2004, the agency continued to increase the number of outreach, education, and compliance assistance activities targeted to the small business community, conducting 651 events that reached 20,836 small business representatives and their employees—a 45 percent increase over last year (see sidebar for related success story).
- IRS has an interactive Small Business Tax Workshop that includes all of the materials used in the classroom workshops taught by IRS partner organizations, including streaming video workshops online at www.irs.gov/smallbiz. IRS recently launched a Spanish-language version of the workshop, which, like the English version, provides company startups with the tax “nuts and bolts” of organizing their businesses. Additionally, “Tax Talk Today,” a monthly program about current tax issues and policies, features a panel discussion, questions and answers from viewers, current tax news stories, and “tax teasers.” The format allows viewers

Agency-State Partnerships Increase Outreach to Small Businesses

The EEOC Seattle District Office partnered with the Washington State Human Rights Commission to present 11 workshops designed to educate small businesses about both agencies' laws. The workshops were presented in 10 cities in Washington State to more than 250 business representatives. At one workshop, a small business participant learned that posting a job vacancy for a “female” nurse may be a violation of the law and, as a result of the training, decided to change the job announcement and thus avoid a potential charge of discrimination.

IRS Continues Novel Efforts to Inform Small Businesses on Tax Issues

After completing a detailed analysis of more than 300,000 questions that came in through its Referral Mail system during the 2004 season, IRS identified the 26 highest volume question groups and is now creating a website based on these *really* frequently asked questions to help small businesses find the answers they need without having to call an 800 number. The goal is to get the right information to the right people at the right time.

to ask questions via email, fax, or telephone (www.taxtalktoday.tv/).

- IRS has undertaken an aggressive compliance assistance program to help taxpayers and improve compliance with tax laws. First, it has built a multidimensional education program to increase understanding of the tax code and its major provisions. This instruction is targeted at new small businesses, the largest share being those started by women and members of ethnic minority groups. All of this material is available at IRS's comprehensive website, which features 10,000 pages of information and video instruction and receives 1.2 million visitors each month. An Office of Taxpayer Burden Reduction program continues to work on systemic changes to make it easier for taxpayers to comply with the tax code (see sidebar for related success story).
- The Department of Justice's Americans with Disabilities Act (ADA) technical assistance program promotes voluntary compliance with ADA by providing free information and assistance to affected individuals and entities. This program is the principal means by which the Department meets its SBREFA obligation to provide regulatory compliance information to small entities. Each year, the program assists more than 1 million people. A main component of the program is the ADA Information Line, a 24-hour telephone line that provides ADA public information and educational materials. The public may also use the ADA home page to locate Department letters responding to specific ADA-related questions. The website received 1.3 million visitors in FY 2004.
- The Pension Benefit Guaranty Corporation uses alternative dispute resolution to achieve consensual resolution of issues in controversy, including compliance and enforcement matters.
- DOT agencies provide toll-free telephone assistance and information centers to answer questions on regulatory requirements. For example, the Research and Special Programs Administration's Office of Hazardous Materials Safety answers questions via its Information Center, a toll-free line dedicated to answering questions from entities, including small entities, on regulatory requirements. FAA provides small entities with a compliance assistance hotline. Other DOT agencies offer interactive assistance, taking questions on certain programs and providing answers through their Internet sites. All agencies allow comments on their rulemakings to be submitted via the Internet.
- When DOL updated its overtime pay regulations, it launched an innovative outreach effort to help employers and employees understand the changes. DOL's Overtime Security Advisor (www.dol.gov/elaws/overtime.htm) is a free, interactive Web-based tool that allows users to apply the updated rules to their specific employment situation. The FairPay website (www.dol.gov/esa/

regs/compliance/whd/fairpay/main.htm) provides training videos, fact sheets, and PowerPoint presentations so that America's businesses can learn about the new rules at their convenience—a benefit particularly helpful to small businesses. These efforts, along with seminars that DOL held across the country, reflect the agency's commitment to helping employers understand the employment regulations affecting their businesses.

Agency Participation in RegFair Hearings—Criterion 5

Each year, agencies increase their participation at ONO RegFair Hearings. Several agencies, including IRS, DOL, SBA, and now USDA's FSIS, demonstrated their commitment to send at least one representative to all Hearings to listen to small business issues and concerns or to make brief presentations—or just to ensure their presence in the small business community. Some agencies, such as Customs and Border Protection and DOT, work to ensure attendance at those Hearings where an issue related to their agency is on the agenda. At RegFair Hearings, agencies can market themselves and establish ongoing relationships with trades. Federal agency representatives who attend can also help resolve small business issues on the spot, particularly if regional representation is also present (see sidebar).

After a Hearing site is selected, ONO calls the relevant District Director in the field, who begins the process of putting in place whatever is needed for a specific event, including identifying issues that small busi-

nesses will raise and engaging various media and outreach vehicles. Identified agenda issues are then uploaded to ONO's website calendar for all to see in advance of the Hearing. With advance notice, agencies are able to send the most appropriate representatives to respond to particular concerns and foster a spirit of collaboration with small business. Agencies consistently ask for more notice when an issue relevant to them will be on the agenda. ONO has agreed to make advanced planning and notification of agencies a priority—to ensure their continued attendance at its RegFair Hearings.

In FY 2004, nearly 30 agencies and sub-agencies attended ONO RegFair meetings (see table 2-4 for breakdown).

Agency Notice to Small Businesses of Violations and Right to Comment—Criterion 6

Last year, ONO rated agencies for the first time on the extent to which they informed small businesses of alleged violations and of their right to comment to the National Ombudsman. ONO encourages agencies to go beyond simply publishing a toll-free number or posting regulations in the *Federal Register*. Instead, agencies should strive to be accountable for their enforcement actions and cognizant of the need for small businesses to have compliance information up front and in plain form. While more than half of the agencies rated received an "A" in FY 2004 for their efforts to inform small businesses about SBREFA and the National Ombudsman's Office, improvement is needed in addressing this criterion.

IRS Offers a Helping Hand at Hearing

A small business comment was filed in response to substantial fines it received for allegedly submitting incorrect taxpayer identification numbers (TINs) reported on IRS 1098 and 1099 forms. The company prepares a large number of forms for its clients. IRS was slow in responding to inquiries, instead fining the company for incorrect information. However, following testimony at the ONO Hearing conducted by video from Spokane, Washington, on July 26, 2004, the IRS Taxpayer Advocate Service agreed to authorize the company access to the IRS e-services TIN matching utility so the company could verify taxpayer ID numbers before submitting reports, thereby avoiding fines of \$3,100 for incorrect TIN information.

Table 2-4. Breakdown of Agency Attendance at ONO Regfair Hearings, 2004

Agency	Wilmington, DE	Annapolis, MD	Sacramento, CA	Atlanta, GA	New Orleans, LA	Stamford, CT	St. Louis, MO	Madison, WI	Yonkers, NY	Lansing, MI	Orlando, FL	Rochester, MN	Columbus, OH	Des Moines, IA	Billings, MT	Seattle, WA	Salem, OR	Phoenix, AZ
Agriculture	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Food Safety and Inspection Service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Forest Service																		✓
Army Corps of Engineers																		✓
Commerce								✓							✓			
Environmental Protection Agency	✓			✓		✓	✓		✓	✓		✓	✓			✓	✓	✓
Equal Employment Opportunity Comm.		✓				✓	✓		✓		✓		✓			✓		✓
Federal Communications Comm.																		✓
Federal Trade Commission																		✓
Health and Human Services								✓										
Centers for Medicare & Medicaid Svcs							✓											✓
Food and Drug Administration																		✓
Homeland Security																		
Coast Guard																		
Customs and Border Patrol					✓				✓									✓
Interior																		
Bureau of Land Management															✓			
Fish and Wildlife Service																		✓
Internal Revenue Service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Labor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Occupational Safety & Health Admin.				✓			✓						✓	✓		✓		✓
Mine Safety and Health Administration																		
Wage and Hour Division			✓	✓	✓			✓	✓	✓		✓		✓	✓	✓	✓	✓
Small Business Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transportation					✓													

Examples of Federal agencies that regularly integrated information about regulatory enforcement fairness as part of their interactions with small businesses follow:

- When the USDA's FSIS assesses small and very small establishments, it holds a meeting with the owner during which it explains SBREFA resources and avenues of support. At the

meeting's close, inspectors leave management with a SBREFA pamphlet, list of contacts, and other information and websites to help with food safety issues and any impending enforcement actions discussed during the meeting. This has been effective in linking establishments with university outreach programs and in bringing them into compliance.

- CPSC’s “How We Can Help You” guide provides detailed information on the mission of ONO’s 10 RegFair Boards and their role in evaluating enforcement activities. Information includes the ONO toll-free RegFair number, a toll-free CPSC hotline, contact information for the CPSC Small Business Ombudsman, and a contact list of CPSC regional offices.
- EEOC developed a letter to accompany every charge filed against a small business. The letter advises small businesses of the availability of small business liaisons who provide compliance assistance and help resolve questions about the laws EEOC enforces and about mediation and the charge process. The letter also invites small businesses to visit the agency’s website, which has a special place designed to help small businesses. The letter states that any request for assistance will not adversely affect investigation of the charge filed.
- Community outreach conducted by Commerce’s Community-Oriented Policing and Problem Solving program includes providing guidance on a variety of regulatory issues affecting small entities. Guidance is provided through nationwide industry workshops, town hall meetings, and temporary help lines. A select group of enforcement officers leads proactive compliance efforts in each region, but all agents and officers complete training in community policing philosophies and problem-oriented policing strategies.
- At the start of a facility inspection, FDA provides detailed information on how to contact the National Ombudsman’s Office; the information is also available on the FDA website.
- The IRS publication, *Your Rights as a Taxpayer*, available in English and Spanish, states that small business entities can participate in the regulatory process and can comment on IRS enforcement actions by calling 1-888-REG-FAIR. IRS also distributes a document that describes the SBREFA process and includes the National Ombudsman’s website, email address, telephone number, and headquarters address.
- The National Labor Relations Board (NLRB) recently added a link titled “SBREFA” to its website, providing information about the National Ombudsman and the right of small business owners to file comments on NLRB enforcement actions. Included in this information is the toll-free number and website for the National Ombudsman’s Office.
- In FY 2004, as part of the Department of Homeland Security transition, Customs and Border Protection updated legacy Immigration and Naturalization Service procedures to include a SBREFA Notice with all assessments against parties for violation of immigration law—previously, INS had not complied with SBREFA notification requirements.
- In FY 2004, FAA embarked on a major project to revise its Compliance

Impact!

“EPA was able to raise its grade for attendance at RegFair Hearings in large part due to the cooperation and assistance of the various SBA Hearing contacts in regional offices. These individuals were unfailingly helpful in assisting EPA to determine whether a comment regarding an EPA enforcement matter was likely. Based on this information, the agency was able to send a knowledgeable representative to the Hearing... We recognize the value of understanding small businesses’ issues, many of which may be applicable to EPA operations even if the particular comment is addressed to a different Federal agency.”

—Walker B. Smith, Director,
EPA Office of Civil Enforcement

The Small Business Paperwork Relief Act of 2002—What it Does

This law institutes a process to make Federal agency paperwork reduction for small business a serious, ongoing effort. The law:

- Requires OMB 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.
- Requires agencies to report on their enforcement actions against small businesses and penalty reductions in such actions to Congress and the Small Business and Agricultural Regulatory Enforcement Ombudsman so that they can monitor the regulatory burden reduction efforts of agencies.

and Enforcement program. A revised order reiterates fairness guidance to agency enforcement personnel and advises them to continue to enclose the following in every Notice of Proposed Civil Penalty or penalty letter to a small entity: a statement informing the small entity of its right to contact the National Ombudsman, the National Ombudsman's phone number and website, notice that FAA strictly forbids retaliatory acts by its employees, and assurance that small entities can feel confident in expressing their concerns without penalty.

Responding to Federal Mandates: Small Business Paperwork Relief Act—Criterion 7

SBPRA imposes a variety of requirements on agencies and on the Office of Management and Budget (OMB) as part of efforts to further reduce paperwork requirements for businesses with fewer than 25 employees and to establish a “point person” or contact within the agency to serve as a liaison for small businesses seeking regulatory information (see sidebar for other requirements of the Act). OMB maintains the list of single points of contact on its website.

These efforts should help alleviate the approximately 8.2 billion hours and \$320 billion annually that it costs businesses and citizens to collect and submit data to the Federal Government. These estimates by OMB reflect data submitted by the collecting agencies and may actually underestimate the real public burden im-

posed, given the results of impact studies by ONO and Advocacy, which show a greatly disproportionate burden placed on small businesses by Federal regulations.

ONO is working with OMB and its Office of Information and Regulatory Affairs to help agencies comply with SBPRA, collecting from agencies data reflecting their compliance assistance. ONO is reviewing the data it has received to date and the dollar amount of savings to small businesses being generated as a result of SBPRA (see sidebar next page for example). It is noteworthy that for FY 2003—when Federal agencies started their SBPRA reporting—and FY 2004 combined, the total monetary amount of civil penalty abatements, reductions, or waivers reported by agencies was nearly \$3.9 billion.

According to the Act, Federal agencies were to have established a baseline by December 31, 2003, and to measure and report against the baseline by December 31, 2004. Each agency was to report to the House Small Business Committee, the House Committee on Government Reform, the Senate Committee on Small Business and Entrepreneurship, the Senate Committee on Governmental Affairs, and the National Ombudsman the following information:

- Number of enforcement actions in which a civil penalty is assessed.
- Number of enforcement actions in which a civil penalty is assessed against small entities.

- Number of enforcement actions in which the civil penalty is reduced or waived for all and small entities.
- Total monetary amount of the reductions for all and small entities.

Beginning in FY 2004, ONO rated agencies on the extent to which they complied with the SBPRA requirements in terms of timely submission of reports. The ratings reflect only whether agencies have submitted the required data to ONO in a timely manner.

- Reports received up to 30 days late: a one-grade reduction
- Reports received up to 60 days late: a two-grade reduction
- Reports received up to 90 days late: a failing grade

Agencies were also expected to establish a task force to study the feasibility of streamlining requirements and enabling electronic collection and dissemination of information. Agency rule reviews conducted under the Regulatory Flexibility Act prompt agencies to consider whether particular rules or industry guidance is still needed and whether changes should be made to simplify, reduce, or adjust requirements.

Select Best Practices of Federal Regulatory Agencies

ONO helps foster an overall environment of success for small businesses by engaging Federal agencies in fully considering the

impact and implications of regulatory enforcement actions. The following initiatives illustrate best practices by Federal agencies in addressing their SBREFA responsibilities and in changing their approaches to working with small businesses. These initiatives represent some of the positive changes occurring in the Federal regulatory environment.

- EEOC has designated small business liaisons in its field offices who provide compliance assistance, serve as a customer referral resource, and help small employers with concerns about discrimination charges. Small businesses can raise concerns with liaisons about the length or scope of an investigation or any other matter involving the handling of a charge; liaisons have the knowledge and authority to provide an effective response.
- The Federal Deposit Insurance Corporation (FDIC) has a compliance assistance employee available for each of its regulated institutions. At the regional and territory office levels, senior staff are assigned to a specific bank as the single point of contact for that institution. In addition, subject matter experts are available at the regional and Washington, D.C., offices to answer questions in more technical areas. FDIC also has a Banker Outreach Program where senior FDIC staff contact and meet with bank management to discuss new technologies, product innovations, and recent statutory changes.
- EPA manages a National Environmental Compliance Assistance Clearing-

Agencies Waive Enforcement Penalties for Record Savings to Small Businesses

In 261 enforcement actions against small entities, FAA reduced or waived 138 of them, amounting to \$1.29 million in savings for small entities. All DOT agencies together reduced or waived over \$4 million worth of enforcement actions. IRS reported \$1.7 billion in reductions and waivers for small entities.

EPA Coordinates Consortia to Further Compliance Assistance

In 2005, the National Compliance Assistance Providers Forum, the National Pollution Prevention Roundtable, and the Performance Track Participants Association are joining together to showcase nationwide innovations in pollution prevention, compliance assistance, and environmental leadership. This effort is part of EPA's continued coordination of compliance assistance programs both inside and outside the Federal Government. For more information, see www.environmentalsummit.org.

house (www.epa.gov/clearinghouse) as a guide to compliance information on the Internet. This site offers comprehensive links to EPA environmental compliance assistance materials, as well as materials from all 50 States and other organizations. The clearinghouse contains many features that allow small businesses to interact directly with EPA and improve communication and collaboration among compliance assistance providers. It also contains information on current EPA compliance and enforcement priorities that may affect small business. Through this platform, EPA funds State-by-State environmental compliance information of interest to small business (www.envcap.org/).

- IRS participates 100 percent of the time in RegFair Hearings and meetings—and not just when issues related to its mission are presented in testimony. The Hearings provide an opportunity both to resolve any issues that do come up and to promote its Taxpayer Education and Communication products and services. DOL, SBA, and FSIS also regularly participate in ONO RegFair Hearings through field office representation, which often allows for an immediate response by the Federal agency to an issue raised.
- On June 24, 2004, the Federal Communications Commission (FCC) instituted a new agency-wide “compliance

guides” program to assist small entities. The guides are focused on explaining to small entities, in plain language, what the agency requires of them with respect to complying with new FCC rules. Guides are posted on the FCC website at www.fcc.gov/ocbo/complianceguides.html. This program goes beyond the former Fact Sheets program in that it tailors guidance specifically to small entities, which the FCC Chairman stated “are an essential part of the digital migration and the national broadband future.”

- In 2004, DOL launched its Partnership for Compliance Assistance Program as a means of providing employers with the information they need to comply with Federal employment laws. Since the program's inception, DOL has signed formal partnership agreements with eight membership organizations and trade associations. These agreements have enabled DOL to reach more than 125,000 businesses across all industries and regions of the country through newsletters, articles, speeches, website links, conference calls, and seminars via the Internet. Working in collaboration with these organizations and associations—including those whose members are predominantly small businesses—DOL gives employers the information they need to comply with Federal labor and employment laws.

3

Hearing the Voice of Small Business: Comments Filed

In FY 2004, ONO received many comments through its RegFair Board members' advocacy efforts on behalf of the small businesses in their regions. Through Hearings and Roundtables, trade association meetings, small business forums, and other avenues of outreach, ONO heard the concerns of small businesses across the country. This section examines several of these recurring themes and perceptions, which include the high cost of compliance, costly agency errors, confusing and changing regulations, overly rigorous requirements, and a generalized fear on the part of small businesses of doing the wrong thing.

Several of these concerns were reflected in testimony at ONO Hearings and Roundtables and in actual comments received from small businesses in FY 2004. Small business owners expressed concerns not only about difficulty in complying with regulations but about the extraordinary effort it takes to resolve conflicts stemming from misapplied or overly technical requirements—effort that costs them valuable time away from their businesses. Small businesses still complain about excessive audits and inspections and of spending too much time on administrative tasks related to regulation. Cost is a major issue as well, and is the main reason

small businesses get embroiled in what is often a protracted and time-consuming volley with the Federal Government. Long delays when trying to correct a problem are a common concern. ONO continued to work in FY 2004 to help Federal agencies better understand the effects of their enforcement actions on small businesses, given small companies' limited resources and vulnerability to costly penalties and time-consuming paperwork. Indeed, sometimes their very survival is at stake. Examples of concerns heard in FY 2004 are described in this section.

The High Cost of Compliance

The cost of regulatory compliance is high. As previously mentioned, Federal regulations alone cost small businesses with fewer than 20 employees \$6,975 a year per employee—60 percent more than it costs firms with more than 500 employees to comply with Federal regulations.¹ Also, small firms spend twice as much on tax compliance as do larger firms (see table 3-1). When subject to audits or other

¹W. Mark Crain and Thomas D. Hopkins, "The Impact of Regulatory Costs on Small Firms" (Washington, DC: SBA Office of Advocacy, 2001).

"It's nice to have a friend in government instead of an adversary in government, and the Office of Advocacy and the National Ombudsman's Office have been nothing but a friend to small businesses that we have referred to them."

—Leo Blais, RegFair Board Region I Chair

Table 3-1. Cost of Federal Regulations by Firm Size (per Employee, All Sectors)

Type of Regulation	Cost (\$) per Employee for Firms with:	
	< 20 Employees	500+ Employees
All Federal regulations	6,975	4,463
Environmental	3,328	717
Economic	1,616	2,485
Workplace	829	698
Tax compliance	1,202	562

Source: W. Mark Crain and Thomas D. Hopkins, "The Impact of Regulatory Costs on Small Firms" (Washington, DC: SBA Office of Advocacy, 2001).

regulatory processes, small businesses generally must take time, energy, and attention away from their businesses in order to comply. Unlike large companies that can afford to hire staff to respond to audits and inspections, many small business owners must take on this additional burden themselves. Said one commenter in testimony at the New Orleans Hearing: "Being a small business makes it virtually impossible to handle this matter in any other financially sound way." He noted that by handling the matter on his own, he is losing time and profits.

The National Ombudsman's Office works hard to counter these costs for small businesses. According to its FY 2004 economic impact analysis prepared by Jack Faucett Associates, ONO saved small businesses at least \$19.7 million in 2003.² Further, interviews with business owners and trade associations conducted as part of the analysis indicate that small busi-

²All dollar figures in this paragraph are from Jonathan Skolnik and Paul Nguyen, "Saving Small Business from Excessive Enforcement: An Economic Impact Analysis of the Office of the National Ombudsman" (Washington, DC: SBA ONO, 2004).

nesses place an annual value on ONO's services at between \$93 and \$250 per business, or \$65 million to \$130 million in total. This impact includes *direct* savings to small businesses as a result of ONO comments and the benefits that small businesses glean from learning of ONO success stories and having a more small business friendly regulatory enforcement environment. Taking a cost-benefit view of this impact, the cost-benefit ratio relative to ONO services ranges between 46 and 124—i.e., every dollar invested in ONO yields a return of between \$46 and \$124 in benefits to small business. Therefore, accessing ONO's services can be a strategic decision for a small business seeking relief from excessive regulatory enforcement burdens.

The enforcement environment frequently presents difficult options for Federal agencies as well as for the small businesses they are charged with regulating. For example, even when a government agency makes a legitimate effort to mitigate penalties by offering a settlement or reduction, the modified amount may still be relatively "expensive" for a small business. Additionally, small businesses are often unaware of their options or are afraid to seek recourse in their interactions with government, even when they feel penalties are unreasonable. In an online comment filed by a small Texas paint company that was fined \$2,150 for registration violations, the commenter wrote, "My argument is not one of innocence, but of what is reasonable and fair." He continued by noting that he was afraid to ask for a hearing, believing it would subject his company to

ONO Helps Farmer Prevail in Tax Case

Hazelton Valley Farm, a Utah small business begun in Canada in 2000, lost money and was sold in 2002. The owner had a Canadian tax liability that he was waiting to calculate and pay when he received notice from IRS that he had not filed his U.S. taxes properly—even though he had lost money on his business venture. He submitted a comment to ONO on November 25, 2003, which was forwarded to IRS's Taxpayer Advocate Office. It determined that reasonable cause had been established, and the penalties were abated. ONO helped save this business over \$4,600 and a lot of valuable time. The small business's account now shows a zero balance in money owed IRS.

the full guideline penalties, which had been reduced by more than half, but were still substantial to him. In cases like this, the Federal agency feels it has made a good faith effort to compromise, while the small business still feels mistreated.

ONO can work to bridge the divide by ensuring that the small business is heard by the agency involved; something it did this several times in FY 2004 (see above sidebar for success story).

Costly Agency Errors

Agency errors can compound hardship for small businesses, especially when resolution is unnecessarily delayed. These errors and delays are not only frustrating but can be extremely costly. ONO can be helpful in breaking the stasis that occurs between small businesses and Federal agencies.

In a comment filed in FY 2004, an aviation company complained of lost paperwork relating to a lien on an airplane, which was preventing its sale. According to the comment, the lien was not recorded by FAA due to a technicality relating to one sentence requiring that a copy be returned to SBA after release of the

lien. With ONO's help, the lien was released by FAA, and the "black hole" into which documentation sometimes falls was illuminated. In an email to the National Ombudsman, the aviation company's president wrote: "Once the Ombudsman was notified of our problem, the issue was resolved in a timely manner. Thank you for your assistance."

In another case, ONO helped facilitate the recording of an address change, a seemingly small matter that actually helped *save* a business (see sidebar at right).

Confusing and Changing Regulations

Small businesses sometimes feel that the rules they must follow are challenging to understand, which leads to difficulty in complying—and to inadvertent non-compliance. The upshot is often an unpleasant confrontation with the regulatory agency looking only to enforce the rules. To a small business—constrained by limited time and resources and the daily stresses of business survival—having to be accountable for complying with a rule it does not even understand is the last straw. The business owner often experiences resentment and anger toward the regulatory

ONO Helps Save Small Business by Fixing Admin Error

A pharmacy company in Maine filed a comment regarding delays in payments from Medicare occurring as a result of an address change. The government agency—Centers for Medicare & Medicaid Services (CMS)—that needed to record the address change failed to do so, even after repeated requests, resulting not only in non-receipt of benefits but also a debt of \$500,000, which the small business could not pay. This debt also interfered with patient care, as the company could not afford to continue serving patients. Once in receipt of the comment, ONO forwarded it to CMS, which responded in 30 days that a benefits administrator had been assigned to expedite the situation. ONO followed up with CMS and confirmed that the planned action had been taken.

“We were very pleased to see the FDA’s responsiveness once contacted by ONO and Advocacy.”

**—Leo Blais, Region I
RegFair Board Chair**

agency and a general feeling that the agency is nit-picking or being capricious in enforcing regulations. Said one commenter, “I can say from experience with [Federal Government] representatives on my small cranberry farm in Massachusetts that they hold themselves above the law and feel that they can make the rules as they go along.”

ONO intervention can help parties arrive at a mutual understanding even when contentious issues have created a somewhat hostile environment. The following describes one high-profile example from FY 2004.

When the State boards of pharmacy received a letter from FDA’s Center for Veterinary Medicine in April 2004 announcing a tightening of the guidelines on compounding of drugs for use in animals, the American Pharmacists Association, along with the International Academy of Compounding Pharmacists and the National Community Pharmacists Association, immediately wrote a joint letter in reply. They strongly urged FDA to retract *its* letter, calling the proposed guideline and related enforcement action unreflective of the state of the practice and saying it would “threaten the health and safety of thousands of animal patients.” The letter noted:

Perhaps most concerning about the agency’s sudden change in interpretation and enforcement of 21 CFR 530.13 is the lack of prior communication with the pharmacy and veterinary professions and State regulatory agencies.

The three organizations that wrote the letter represented thousands of compounding pharmacist members nationwide. And although the initial letter was not successful with FDA, follow-on outreach efforts, spearheaded by the RegFair Board Chair in Region I and including an appearance by the National Ombudsman at the International Academy of Compounding Pharmacists’ annual meeting, sparked a successful ONO comment-filing campaign to place this issue before FDA. As a result, FDA—true to its expressed desire to be responsive and “keep the lines of communication open”—decided in November 2004 to review the guidelines, subsequently revising them to reflect the interests of small pharmacies.

Small businesses commonly feel that regulatory agencies do not try hard enough to “get the word out.” In the case of a small coating manufacturing plant, the owner commented that he did not knowingly violate EPA’s architectural coating regulation but that he felt insufficient public outreach was conducted to make him aware of it. EPA responded that in this case, it went beyond simply publishing the regulation in the *Federal Register* and also worked through the National Paint and Coating Association, having found trade associations to provide an efficient and effective method of notifying the greatest number of regulated entities. Unfortunately, the commenter’s company did not belong to that particular association. Acknowledging this fact, EPA asserted that while it agrees that special effort should be made to inform small businesses of new regulations, the business

itself needs to take some responsibility for staying apprised of the rules that govern it.

ONO believes that by working cooperatively and leveraging compliance assistance and information resources (including Hearings) tailored to small businesses, Federal agencies and small businesses alike can foster better compliance and communication. Small businesses need to take advantage of available compliance assistance, and Federal agencies need to make small business concerns a priority.

Overly Rigorous Requirements

Small businesses sometimes complain that Federal agencies are overly exacting in their application of requirements (e.g., instituting fines for improper forms, enforcing unnecessary training requirements for personnel, etc.). The rigor demanded by some agencies with regard to their regulations can make for a situation where the cost of compliance effectively puts the “little guy” out of business. It is not surprising then that frustration builds, especially when business is slow and cargo is stuck on the docks, as was the case with several commenters whose goods were randomly intercepted for inspection and then held up in a protracted process.

One commenter—a gourmet food importer and distributor—testified at the Yonkers, New York, Roundtable in 2004 that for his company, “the delay of a few weeks results in lost revenues and shelf life and makes it that much more difficult to manage inventory levels.” He attributed

some of the delays to new customs inspectors and testified that a shipment of cheese had to be sent back to Italy because a customs inspector was unfamiliar with it and refused to issue a release without a fuller description; the company had been importing this cheese without incident for years. Although frustrated, the commenter felt satisfied that his grievances were heard through the vehicle provided by ONO (see sidebar).

Sometimes, small businesses feel they are being targeted, when it is more a matter of being held to the “letter of the law” in terms of regulatory enforcement. Unfortunately, such rigor takes a heavier toll on the small business person, who sometimes feels marginalized by a system he does not know how to navigate either to satisfy the requirement or to get the help needed to work out an alternative. Either way, a feeling is created of “no one really cares.” One small business owner, relatively new to importing and unfamiliar with required procedures, asked ONO’s help to keep her \$12,000 worth of earthenware plates (a “small” import) from being destroyed. Upon being notified that the shipment had been detained, the commenter says she did not receive a response from FDA’s Dallas Southwest Import District Office when she called asking how to handle the detention. When she did receive a reply, the commenter claims it was unhelpful, leading her to observe that the government agent seemed not to have time to deal with such a small shipment.

ONO is committed to getting answers to the concerns raised by small business

ONO Facilitates Positive Exchange with Government Inspectors

At the Yonkers, New York, Roundtable on April 28, 2004, a gourmet food importer and distributor from the Bronx complained of lengthy government inspections at ports of entry after 9/11 that jeopardized the perishable gourmet cheeses and other specialty foods his company imports. According to the company’s vice president, reviews that used to take a few days were taking as long as three weeks when a ship’s entire cargo was x-rayed. While he recognized the importance of security measures in a post-9/11 world, he believed that better training of inspectors on the products they examine would help prevent needless delays. The small business was pleased that its grievances were listened to and credits ONO for helping facilitate a productive exchange. The Department of Homeland Security later wrote the company that it was trying to expedite shipments and to give preferential treatment to perishable items, and that the problems caused by inexperienced inspectors have diminished as they learn on the job.

owners, so as not to leave them “hang-
ing,” wondering what they are supposed
to do next. Again, many times, just get-

ting an answer—even if it’s not the ideal
one—is what small businesses desire
most.

4

ONO Outreach: Increased Use of SBA Field Offices, RegFair Boards, and Technology

Regional RegFair Boards: ONO's Eyes and Ears

ONO's 10 RegFair Boards are its "eyes and ears" across the country. They are the main avenue through which ONO is able to learn of particular small business regulatory enforcement concerns in various localities and to ensure that those concerns are heard, as appropriate, by the Federal agencies involved. RegFair Board members are small business people themselves, running a wide variety of small business enterprises, from Christmas tree farms and real estate companies to data management and professional development firms. In some cases, the board member's business engenders a personal commitment to a particular struggle (see sidebar).

It is also through RegFair Board members that greater access is gained to trade and professional associations representing blocks of small businesses with common concerns and interests. By working with trade organizations and giving them a point of contact in the field—not a Federal agency but a small business person like the ones they represent—ONO RegFair Board members provide communication channels for productive problem solving. For they can both direct small

businesses to ONO for redress of their regulatory enforcement concerns as well as report directly to ONO on behalf of those small businesses. Small business concerns often become known to Board members through outreach and cooperative work with SBA field offices in their regions. Communication works the other way, too, as RegFair Board members continually work to raise awareness among small businesses in their regions of what ONO can do to help them.

Board members engaged in many activities last year designed to spread the word about ONO and elicit concerns from its constituents. Much work was also done in tandem with SBA field offices, including local District Offices, Small Business Development Centers, and SCORE, to raise awareness of ONO's services among small business entities. ONO knows that its outreach efforts will be even more effective if it continues to engage and support the SBA field office structure in marketing ONO activities. In FY 2004, RegFair Board members met with SBA District Directors and invited them and Regional Administrators to attend and provide comments at RegFair Hearings. This not only broadened ONO's reach and inclusiveness but aided efforts to integrate all of SBA's work in the field more effectively

Board Activity Report: Supporting Artists in New Mexico

A Region VI Board member, who also owns a gallery and framing business in Albuquerque, New Mexico, is working to support more than 100 artists and craftsmen pursuing change in an IRS law that states that if an artist donates artwork to a charitable organization, the artist can only deduct the costs of materials used in the artwork, rather than the appraised value of the work itself.

Activity Report: Reaching Out—Way Out

In FY 2004, Administrator Barreto and National Ombudsman Barrera reached out to small businesses across the country through a 50th Anniversary “tour,” visiting towns and cities across the country to hear what small businesses were thinking. At a 50th Anniversary Luncheon in Albuquerque, New Mexico, the 350 people in attendance represented thousands more from the U.S. Chamber of Commerce, American Indian Chamber of Commerce, ACCion, and other groups. SBA Administrator Barreta, the keynote speaker, asked attendees “What do you think is the most important type of regulatory issues facing small businesses today?” According to an unofficial survey distributed to them, the predominant answer was “cost of regulation.”

on behalf of small business concerns. RegFair members also made good use of material from other SBA program offices to inform small businesses about other SBA services. A Model Bill Initiative developed by the Office of Advocacy—a State bill that emulates the Federal Regulatory Flexibility Act—was promoted by several Board members in their States to get the model legislation replicated at the State level. The value of networking with the National Federation of Independent Business, chambers of commerce, and business leaders at the Federal, State, and community levels is demonstrated by the achievements of RegFair Board members.

The great variety of outreach activities initiated by RegFair Board members in FY 2004 includes the following:

- Publishing articles in local papers and media outlets describing ONO, RegFair Boards, and the comments process (always including the ONO website, of course).
- Meeting with local chambers of commerce to discuss ways to inform and educate chamber membership on how ONO can assist them.
- Meeting with county commissioners and congressional delegations with regard to the RegFair process.
- Initiating one-on-one meetings and Roundtables with heads of small businesses and government representatives to share and discuss issues and concerns.
- Conducting large mailings to groups and individuals, expanding outreach through mailouts to trade associations with large memberships.
- Delivering presentations about ONO and the RegFair process to local governmental organizations, citizens’ groups, business advocacy groups, and SBA District Offices.
- Securing personal meetings with high-level elected officials to discuss small business regulations and legal reform issues.

RegFair Board members held five meetings in FY 2004, several of which made use of conference call technology. For these, the National Ombudsman chaired calls with either regional RegFair Board chairs or with members to learn of small business regulatory enforcement concerns and new outreach methods in the different regions. An in-person meeting for Board member training was held in May in advance of the National RegFair Hearing in Orlando, Florida.

Activity Report: Meeting with Senators in Texas

In Region VI, Joe Shepard, Region VI Chair, held meetings with U.S. Senators John Cornyn and Kay Bailey Hutchinson, and Texas Senator Troy Fraser, to inform and educate them about the assistance ONO can provide to Texas small businesses.

ONO RegFair Hearings: Facilitating the Discussion

At least one Regulatory Enforcement Fairness Hearing is held in each of the 10 Federal regions each year. Statutorily required by Congress, RegFair Hearings are designed to receive and publish, as appropriate, public testimony regarding specific excessive regulatory enforcement actions by Federal agencies. Less formal Roundtables, designed to inform trade associations and chambers of commerce of their constituents' rights to file a formal comment about excessive Federal regulatory enforcement, are—like Hearings—held on a regional basis.¹ What is important is common to both—providing a forum for to hear the voice of small business and fulfilling President Bush's goal for government to be more customer-oriented.

In FY 2004, ONO held 18 Hearings and Roundtables, exceeding its goal of 15. The past seven years have witnessed a trend toward a greater number of Hearings and Roundtables held each year across the country (see figure 4-1 for the locations of FY 2004 events). At the FY 2004 events, 86 people presented testimony, representing the interests of thousands of small businesses. The first-ever national-level RegFair Hearing was held in Orlando, Florida, on May 21, in conjunction with the “SBA Expo '04: Celebrating National Small Business Week” conference. Testimony from small busi-

¹Effective in 2005, ONO will refer to both RegFair Hearings and Roundtables as “Hearings.”

ness owners nationwide was heard, and members of the 10 RegFair Boards presented comments regarding compliance issues from small business owners in their respective regions.

Reaching Out and Following Up

In FY 2004, ONO's message potentially reached around 9 million small businesses through trade associations, chambers of commerce, newsletters, and media outlets.² In addition to hosting Hearings and other interactive events, ONO used its informative website and extensive media outlets to spread the word and to reinforce its partnerships with Federal agency decision-makers and with the small businesses it serves.

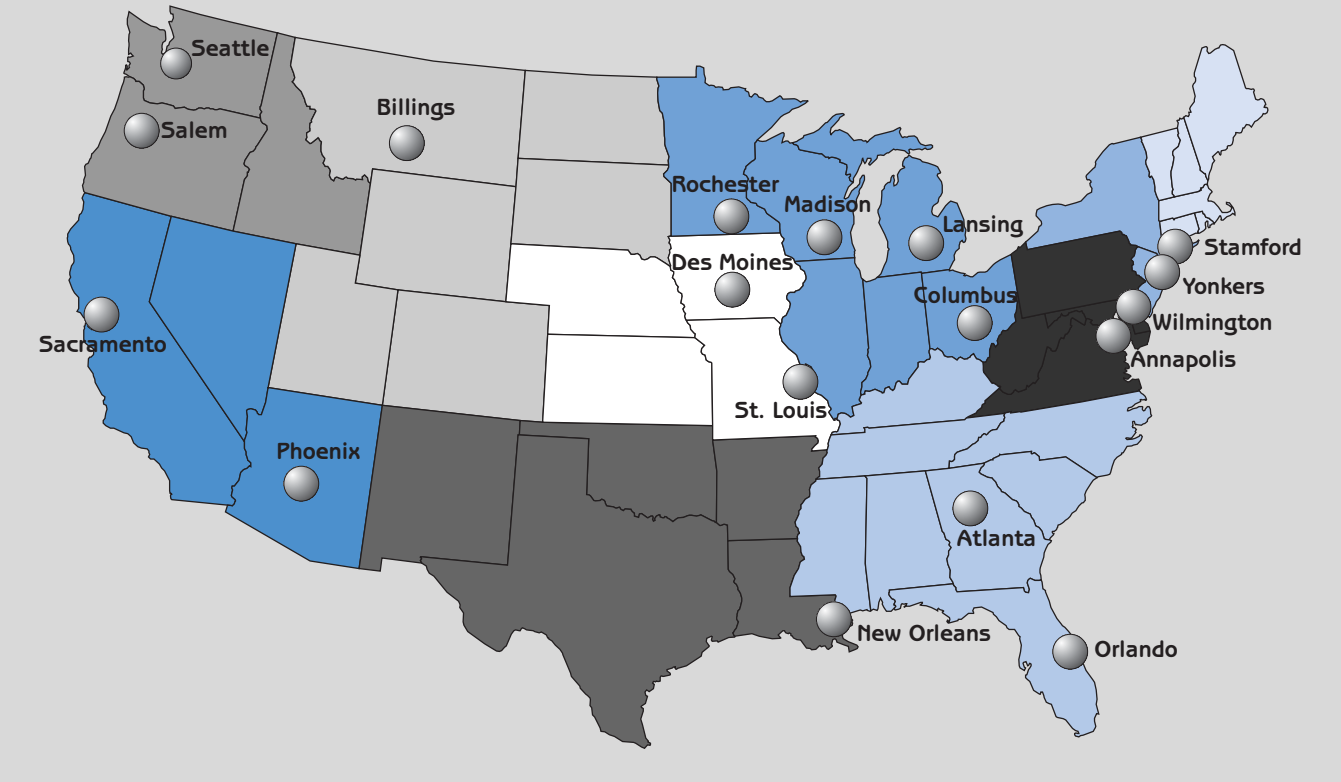
ONO promotes its website as the most efficient means of receiving comments and the best way to expedite their delivery to agencies. A tracking system on the website allows commenters to track their comments and to receive notice once they have properly filed and submitted their information. The website is chock-full of information needed both by small businesses and Federal agencies, including links to agency compliance assistance activities, information on the Small Business Paperwork Reduction Act, and a wealth of other resources.

²This number was obtained by combining attendance at Hearings and Roundtables with a percentage of Arbitron rating findings for various media in which ONO had exposure (see appendix).

FY 2004 Regional Hearings and Roundtables

- Wilmington, DE, Hearing, October 28, 2003
- Annapolis, MD, Roundtable, October 30, 2003
- Sacramento, CA, Roundtable, December 4, 2003
- Atlanta, GA, Hearing, December 9, 2003
- New Orleans, LA, Roundtable, February 12, 2004
- Stamford, CT, Hearing, March 25, 2004
- St. Louis, MO, Hearing, April 14, 2004
- Madison, WI, Roundtable, April 27, 2004
- Yonkers, NY, Roundtable, April 28, 2004
- Lansing, MI, Roundtable, April 29, 2004
- Orlando, FL, National Hearing, May 21, 2004
- Rochester, MN, Hearing, June 10, 2004
- Columbus, OH, Hearing, June 22, 2004
- Des Moines, IA, Hearing, June 24, 2004
- Billings, MT, Hearing, July 23, 2004
- Seattle, WA, Hearing, July 27, 2004
- Salem, OR, Roundtable, July 28, 2004
- Phoenix, AZ, Hearing, September 29, 2004

Figure 4-1. Hearings and Roundtables Held in FY 2004



“ONO has leveraged good relationships with trade associations. They have been very effective and very aggressive at outreach, seeking to have a presence outside of Washington, which is important.”

—Giovanni Coratolo,
 Director of Small Business
 Policy for the U.S. Chamber
 of Commerce

ONO also leveraged SBA District Office operations to conduct a host of outreach activities, including publishing dozens of articles in local and specialized media and trade publications and securing radio and television interviews to promote ONO services. In FY 2004, articles about ONO appeared in dozens of publications, including Web and E-Blast communications. Additionally, more than 20 radio and TV interviews were conducted with the National Ombudsman and ONO staff. Collectively, these radio, newspaper, Internet, and television communications and media events had a potential market of nearly 20 million³ (see table 4-1 for

³The total readership/audience numbers shown in the appendix come from Arbitron, Inc., which ranks radio stations, cable companies, advertisers, etc., by number of listeners—comparable to the Nielsen ratings for television.

specific media totals and the appendix for detail). As awareness and education continue to grow, so will ONO’s effectiveness.

Success with Trade Associations

ONO’s success stories for FY 2004 largely emanate from its close ties to small business trade and professional organizations. ONO continues to work with national trade organizations such as the National Federation of Independent Business and the National Small Business Association, to encourage them and their State directors to get the word out to their membership about ONO and to file comments on their members’ behalf (see table 4-2). This has been an effective avenue; in one case, it resulted in 100 comments filed in

Table 4-1. Potential Audience Numbers Reached through ONO Media Efforts

ONO Event	Radio Interviews	Newspaper Articles	Internet/ TV	Totals
Wilmington, DE	2,985,820			2,985,820
Annapolis, MD		30,000		30,000
Sacramento, CA			307,238	307,238
Atlanta, GA	–	–	–	–
New Orleans, LA	1,667,660	127,900		1,795,560
St. Louis, MO	980,410	56,244		1,036,654
Stamford, CT	85,000			85,000
Madison, WI	767,170	505,775		1,272,945
Yonkers, NY	94,683			94,683
Lansing, MI	248,250	80,000		328,250
Orlando, FL		20,542		20,542
Rochester, MN	139,060			139,060
Columbus, OH	69,130			69,130
Des Moines, IA	400,830	72,988		473,818
Billings, MT	260,640			260,640
Seattle, WA	4,977,300	22,000	4,000,000	8,999,300
Salem, OR	1,061,080	115,570		1,176,650
Phoenix, AZ	708,946			708,946
TOTALS	14,445,979	1,031,019	4,307,238	19,784,236

reaction to a single regulatory agency, spearheaded by the initiative of one Board member (see sidebar).

Trade association representation at Hearings and Roundtables is an effective way to reach many more small businesses. ONO will continue to use trades as an efficient means of optimizing its outreach to small businesses.

ONO Outreach to Agencies

ONO continued to elicit ideas from Federal agencies to improve the SBREFA comment process and to increase its efficiency and outreach. ONO met its FY 2004 goal of holding two interagency meetings to both obtain agency feedback and inform agency representatives who are the small business contacts within

their organizations about changes and expectations. The meetings were held in November 2003 and March 2004, both with substantial attendance. At the November meeting, more than 60 Federal agency representatives attended—approximately one-third more than last year—reflecting a trend toward greater Federal agency participation in ONO’s mission. National Ombudsman Barrera spoke of the importance of RegFair Hearings and agency attendance and of the need for all agencies to get on board with having written non-retaliation policies. The Director of OMB’s Office of Information and Regulatory Affairs spoke at the March meeting, which SBA Administrator Barreto also attended. Topics included establishing a regulatory enforcement baseline, assessing agency progress on

Activity Report: Leveraging Associations

Beginning in February 2004, ONO began receiving comments as the result of the Food and Drug Administration’s issuance of a ruling prohibiting the compounding of drugs for use in animals without giving affected independent pharmacies a chance to comment. ONO received 19 comments from small pharmacies. In June, the International Academy of Compounding Pharmacists met in Washington, D.C., and invited National Ombudsman Barrera and the Region I Chair to address their convention. As a result of the conference and the lobbying efforts of the RegFair Board Region I Chair, who is also a leader with the Academy, ONO received an additional 81 comments on the issue. Happy ending: On November 10, 2004, FDA advised that it would review the rules, which have since been revised to reflect the interests of small pharmacies.

Table 4-2. Small Business Associations Reached in FY 2004

Event/ Location	Organizations Attending	Membership Represented
Wilmington, DE (Hearing)	National Federation of Independent Business PA-DE Cleaners Association	964
Annapolis, MD (Roundtable)	Maryland Chamber of Commerce Governor's Office of Business Advocacy and Small Business Assistance	900
Sacramento, CA (Roundtable)	Sacramento Black Chamber of Commerce Sacramento Metropolitan Chamber of Commerce Sacramento Hispanic Chamber of Commerce	3,000
Atlanta, GA (Hearing)	The Carpet & Rug Institute Hispanic Construction Chamber of Commerce Maddox Industries	265
New Orleans, LA (Roundtable)	Jefferson Chamber of Commerce National Federation of Independent Business Hispanic Chamber of Commerce	5,300
Stamford, CT (Hearing)	CT Small Business Development Center SACIA - The Business Council of Fairfield Co. Small Business Development Ctr-Stamford Mayor's Office of Economic Development	149,133
St. Louis, MO (Hearing)	Home Builders Association of Greater St. Louis	1,150
Madison, WI (Roundtable)	University of Wisconsin-Extension Wisconsin Small Business Development Ctrs City of Madison and Dane County Wisconsin Technical Colleges Wisconsin Technology Council Wisconsin Supplier Development Council Wisconsin Workforce Development Council Wisconsin Biotechnology & Medical Device Associates Wisconsin SCORE Chapters IMPACT 7, Inc. Wisconsin Business Development Finance Corporation	77,900
Yonkers, NY (Roundtable)	Westchester Hispanic Chamber of Commerce Hunts Point Economic Development Organization The Westchester Small Business Development Center The Yonkers Economic Development Corporation The Bronx Women Business Center African American Chamber of Commerce of Westchester The National Minority Business Council Empire State Development Corporation Yonkers Hispanic Chamber of Commerce Mexican Chamber of Commerce	20,000

written non-retaliation policies, achieving SBPRA burden reduction, and completing compliance assistance reports. A focus session was also held to obtain agency feedback.

ONO continued its excellent relationship with the Office of Advocacy in FY 2004. Both Offices see the beneficial results for small businesses accruing from the Memorandum of Understanding signed by National Ombudsman Barrera and Chief Counsel Sullivan in FY 2002. The memorandum describes a sharing protocol to ensure that small business complaints, comments, and concerns are handled by the appropriate office. A potential for overlap stems from the Offices' common goal of fostering a more small business friendly regulatory environment.⁴ Both Offices have helped clarify their roles to small businesses through information distributed by ONO at RegFair Hearings. This reciprocal arrangement ensures that no matter how a comment or concern comes in or to whom, it is directed to the correct office for resolution.

Agency Outreach to Small Businesses

Federal regulatory enforcement agencies continue to expand their efforts to con-

⁴The Office of Advocacy has authority to review agency policies with regard to how well they take small entities into consideration as part of rule-making procedures. ONO has the authority to intervene on behalf of small businesses subjected to unfair enforcement actions by Federal regulatory agencies and to rate agencies on how well they respond to small business concerns.

nect with small businesses and apprise them of rules, regulations, and helpful resources. Many agencies have increased outreach to small business entities through their websites. More agencies have identified “point people” responsible for interacting with the National Ombudsman’s Office. Only a few years ago, that was more the exception than the rule, and the turnaround is evidence of progress. A growing number of agencies have staff dedicated to shepherding comments received from ONO through their own systems for prompt, effective response.

Several agencies reported increased outreach efforts in FY 2004.

- The EEOC St. Louis District Office formed a partnership with the Joplin, Missouri, Chamber of Commerce and the Small Business Development Center at Missouri Southern State University. The main focus of the initiative is to provide free training courses for local small business owners and entrepreneurs. Participants attending the session expressed their appreciation that a government agency would “spend the time and money” to assist the small business owner in more remote areas.
- An online “rate the product” survey on IRS’s small business website (www.irs.gov/smallbiz) has proven to be an invaluable resource for information and feedback on how its small business customers rate the variety of educational products it produces, including the website. As of September

Table 4-2. Small Business Associations Reached in FY 2004 (continued)

Event Location	Organizations Attending	Membership Represented
Lansing, MI (Roundtable)	Michigan Restaurant Association SBTDC - Michigan Michigan Association of House Builders Detroit Regional Chamber of Commerce Michigan Business Professional Association Michigan Economic Development Corporation Small Business Association of Michigan Michigan Soft Drink Association	62,331
Rochester, MN (Hearing)	Small Business Development Center Metropolitan Economic Development Association (MEDA)/Procurement Technical Assistance Center (PTAC)	50
Columbus, OH (Hearing)	Main Street Business Association Cincinnati Women’s Business Chamber Columbus Urban League, Inc.	1,830
Des Moines, IA (Hearing)	Iowa Small Business Development Centers State of Iowa Citizens’ Aide/Ombudsman Business and Industry Group (North Iowa)	19,000
Billings, MT (Hearing)	Montana Chamber of Commerce Billings Area Chamber of Commerce Big Sky Economic Development Authority Montana Business Incubator Small Business Development Ctr –Billings	131,897
Seattle, WA (Hearing)	Gladys Gillis American Civil Liberties Union of Washington Independent Business Association Washington State Society of Enrolled Agents SCORE Chapter #55 Seattle Chinese/Chinatown Chamber Washington State China Chamber of Commerce Washington Agricultural Legal Foundation	64,777
Salem, OR (Roundtable)	Idaho Anti-Wolf Coalition, Inc. Oregon Certified Minority, Women and Emerging Small Business Oregon Restaurant Association Portland Business Alliance SCORE Chapter #460 Oregon Independent Auto Dealers Association Associated Builders and Contractors, Inc. Northwest Auto Trade Association	7,218
Phoenix, AZ (Hearing)	National Federation of Independent Business Arizona Small Business Development Center Arizona Small Business Association Greater Phoenix Black Chamber of Commerce Arizona Hispanic Chamber of Commerce SCORE National Assoc. of Women Business Owners	43,866
Total Small Businesses Reached		589,581

Activity Report: Outreach to the Trades

The 75 attendees of a Northside Canal company annual stockholders' meeting in Region X represented approximately 8,500 people, through memberships in trade associations and other groups. These included the American Falls Irrigation District, Burley Canal Company, and water users from Idaho, Oregon, Wyoming, and Utah. Also, two Federal Government agencies—the Department of the Interior and Bureau of Reclamation—presented information on the regional drought. A RegFair presentation was given and contact information shared with directors of the groups represented.

2004, more than 2,736 responses were logged, providing information that has assisted key IRS decision-makers in revising and improving products, helping the agency tailor them to focus on the needs of the small business and the self-employed community.

- The National Credit Union Administration recently reorganized its Office of Credit Union Development at NCUA headquarters and renamed it the Office of Small Credit Union Initiatives, offering local and regional workshops for small credit unions. As part of outreach efforts to improve compliance, examiners make interim supervisory contacts with credit unions to discuss problems or concerns about regulatory compliance and other issues.

Reaching Out to the Underserved

Because of their unique communications needs, emerging small business communities may be among the first to experience Federal regulatory enforcement challenges and the last to learn of the resources available to them. ONO is responding to this challenge by holding meetings with these small business owners to hear their concerns.

In FY 2004, ONO held 14 Targeted Entrepreneur Area Market Meetings across the Nation, exceeding its goal of 12, as part of efforts to target leadership from diverse small business groups. Held in most cities where RegFair Hearings are scheduled, TEAM Meetings are designed to bring more emerging businesses into

the comment process, giving them better access to regulatory compliance assistance. ONO seeks to inform women, Asian Americans, African Americans, Hispanic Americans, Native Americans, veterans, and other traditionally underserved markets of the full array of services, programs, and assistance available through ONO and SBA. At a TEAM Meeting in New Orleans, Louisiana, last year, a group of sugar cane farmers was in attendance, along with representatives of the Hispanic Chamber of Commerce, two African American Chambers, a local National Association of Women Business Owners chapter, and a veterans' group.

The TEAM format is flexible and informal, lending itself to open discussion with all small business owners and representatives and with local SBA staff, banking representatives, and others. TEAM Meetings were held in the following cities in FY 2004:

- Atlanta, Georgia, December 9, 2003
- New Orleans, Louisiana, February 12, 2004
- Stamford, Connecticut, March 25, 2004
- St. Louis, Missouri, April 14, 2004
- Madison, Wisconsin, April 27, 2004
- Yonkers, New York, April 28, 2004
- Lansing, Michigan, April 30, 2004
- Rochester, Minnesota, June 10, 2004
- Columbus, Ohio, June 22, 2004
- Billings, Montana, July 23, 2004

- Seattle, Washington, July 26, 2004
- Salem, Oregon, July 28, 2004
- Phoenix, Arizona, September 29, 2004
- Albuquerque, New Mexico, September 30, 2004

ONO also held two bilingual Hearings in FY 2004. One of these was in Mandarin Chinese and was held in Seattle; the other was held in Spanish in Phoenix.

ONO now also has a Spanish-language Web page, established in 2002. The website helps ONO reach an even wider community and is part of SBA's larger outreach program to the Hispanic community—the fastest growing ethnic group in the United States. This ONO website aligns with the format of SBA's Spanish-language website, www.negocios.gov/, and can be accessed at www.sba.gov/espanol/Ombudsman_Nacional/.

Bilingual Assistance Increases Outreach to Small Business Community

DOT's Federal Motor Carrier Safety Administration has increased its outreach to small business entities by providing assistance on its website in both English and Spanish. The agency also conducted outreach sessions within its divisions to provide educational and technical assistance to motor carriers who are subject to the New Entrant Safety Assurance Process and to the rules for Mexico-domiciled motor carriers.

Oficina del Ombudsman Nacional -
Audiencia sobre
Equidad en las
Regulaciones



Para Negocios Pequeños Miércoles, 29 de septiembre de 2004 Phoenix, Arizona

Los pequeños empresarios tendrán la oportunidad de discutir sus preocupaciones respecto al cumplimiento y la aplicación de regulaciones federales durante este evento auspiciado por la Agencia Federal para el Desarrollo de la Pequeña Empresa.

QUIEN: El Administrador de la SBA, Héctor V. Barreto, y el Ombudsman Nacional, de la SBA, Michael L. Barrera, así como miembros de la Junta de Equidad en las Regulaciones de la Región IX de la SBA, se reunirán con líderes comunitarios, miembros de asociaciones empresariales y comerciales, propietarios de negocios pequeños, e invitados miembros de una delegación del Congreso, para discutir preocupaciones acerca de la aplicación y cumplimiento de regulaciones federales en la región.

DONDE: Maricopa Community College – Governing Board Room
2411 West 14th Street
Tempe, Arizona 85281

CUANDO: Miércoles, 29 de septiembre de 2004
1:00 p.m. a 3:30 p.m.

MEDIOS: La audiencia estará abierta al público y la prensa. El Administrador Barreto y el Ombudsman Nacional Barrera estarán disponibles para entrevistas en los días previos al evento y el miércoles, 29 de Septiembre después de la audiencia.

Los pequeños empresarios podrán testificar durante la audiencia si se inscriben con anterioridad. Llame a la Oficina de Distrito de la SBA en Arizona, al (602) 745-7200 o (602) 745-7220. También puede utilizar el correo electrónico bruce.bodeman@sba.gov para programar su testimonio, el cual se puede someter por escrito o verbalmente. Los empresarios se pueden inscribir antes del evento. Visite la página electrónica de la Oficina del Ombudsman Nacional en www.sba.gov/ombudsman

☆☆☆ **Haga que su voz se Oiga!** ☆☆☆

Todos los programas y servicios del SBA son proporcionados al público sin discriminación. Los arreglos razonables para acomodar a personas con discapacidades se harán, si solicitado por lo menos 2 semanas de anterioridad. El contacto: 602/745-7200.

5

Looking Ahead...Plans for the Future

ONO will continue engaging in outreach efforts through Hearings, media outlets, RegFair members, SBA partners, trade associations, and chambers of commerce.

ONO will also leverage resources by optimizing technology, and will continue efforts not only to increase awareness of its program, but also to ensure its accessibility.

Continuing to Reach Out

ONO will continue to reach out to trades both nationally and locally through meetings, speeches, presentations, media, website updates, and regular communications. A renewed initiative to get the message out will focus on a monthly ONO newsletter disseminated to association leaders who represent small businesses in Washington and in the States. National Ombudsman Barrera is committed to communicating the good news from agencies about their efforts for small business and the many best practices in place.

At the same time, RegFair Board members will be challenged to continue their work with community and small business organizations, relying on local SBA offices and local trade organizations for contact information and opportunities. To meet their agreed-upon goals, Board members

will distribute materials, generate website awareness, and work with local media outlets to deliver the ONO message.

Making More Creative Use of Technology

Several technology efforts under way at ONO will continue to evolve as new initiatives are implemented. The ONO website will become more interactive and user friendly, consistent with the overall implementation of SBA redesign efforts agency-wide. Greater use of the Internet is improving the comment process, as the ease of electronic submission not only shortens the filing time but also expedites the Federal agency response process. And Board members can now access comment status according to their geographic areas via a dedicated section of the ONO website.

ONO also intends to enhance and/or implement tools that provide compliance assistance to the small business community. Planned Business Gateway Initiatives, including www.business.gov—an e-Government component of the President's Management Agenda—offer integrated solutions to simplify businesses' access to assistance and online transactions. A strategy to provide compliance

"We are finishing up the most successful year in SBA history... While we have a ways to go, we appreciate the progress that's been made."

—SBA Administrator Hector Barreto, ONO Interagency Meeting, December 2004

Building Partnerships

ONO's work will be expedited and enhanced as it pursues a number of partnership initiatives:

- ONO has solidified its relationship with OMB's Office of Information and Regulatory Affairs; this partnership is critical to Small Business Paperwork Relief Act requirements for data collection and publication of Federal agency information intensify.
- ONO and RegFair Board members will continue to work with the SBA Office of Advocacy and collective resource partners to support the model RegFlex State legislation.
- ONO will add to its growing list of Internet linkages with small business organizations, including trade associations, chambers of commerce, the National Association of Women Business Owners, the National Federation of Independent Business, and other organizations as they are identified.

assistance via website links is part of this planning.

Finally, more consistent and creative use of email gives ONO the opportunity for timely communication with Board members, Board alumni, Federal agencies, trade associations, and the public at large. The ONO E-Blast system is currently sent to 3,000 subscribers—with more subscribers added every day—who learn of ONO events and activities across the country in which they can participate. Weekly reports summarizing comments received are sent to Board members so they can see what is happening in other regions nationwide. Additionally, a unique communiqué known as the "O Zone" Report, begun by the National Ombudsman in January 2004, provides regular updates to RegFair Board members, including news within ONO and SBA, upcoming events, and highlights that showcase best practice strategies and ONO successes.

Increasing ONO Visibility

ONO will continue its active SBA District Office education program, dedicating a portion of each local visit to meeting with District Office personnel to describe and explain ONO programs and services. Distribution of this report to all District Directors and offices has had a positive effect nationwide by enhancing awareness and furthering the visibility of ONO. Additional marketing materials, consistent with the SBA marketing program, are in

development for distribution to Board members in support of their important work. At all levels, working with media representatives continues to be emphasized.

Finally...

The entrepreneurial spirit is alive and well in America, and small business is the driving force of the U.S. economy. SBA and ONO's job is to help the small business men and women of America obtain the assistance, the advice, and the resources they need to be successful. Fairness and encouragement for entrepreneurs should always be at the forefront of efforts to promote change within Federal agencies and remove excessive and unfair regulatory burden from the backs of small businesses. The time and money small businesses spend on excessive enforcement and unfair actions by Federal representatives could be better used to train employees, market products, service customers, and upgrade facilities.

President Bush has called on all Federal agencies to reduce and remove unnecessary and outdated regulations that affect small business. ONO will continue to carry out the President's mandate across the country, working with resource partners and small businesses directly affected by Federal actions. An unfettered economy is a strong economy, for which ONO will continue to do its part by challenging unfair Federal enforcement actions that impede small business formation and growth.

Appendix: Media Outreach

Event/Date	Radio/TV Interviews	Newspaper Articles	Internet / Visits	Market Size/ Arbitron Rating
Wilmington, DE Hearing October 28, 2003	Two radio stations (WDEL- (1150 AM and WILM- 1450 AM) ran ads about the RegFair Hearing in Wilmington			WDEL: 2,830,470 WILM: 155,350
Annapolis, MD Roundtable October 30, 2003		<i>MD Daily Record</i> : Andrea Cecil, business writer, attended event and wrote an article		Circulation: 30,000+
Sacramento, CA Roundtable December 4, 2003	The <i>Sacramento Bee</i> ran 4-line ad about the Roundtable 12/01/03			Circulation: 307,238
New Orleans, LA TEAM Meeting February 12, 2004	"La Fabulosa" WFNO-830 AM: live phone interview in Spanish w/ José Méndez 2/6/04 Harold Clarke, Sunday Journal, WYLD-FM 98.5 interviewed Peter Sorum Bob Christopher, Biz Radio 990 (WGSO) inter- viewed Peter Sorum 2/11/04	VoceroNews.com, bilingual newspaper, interviewed Peter Sorum 2/10/04 Rich Webster, <i>New Orleans City Business</i> newspaper interviewed Peter Sorum 2/12/04 <i>The Advocate</i> published ad about event in Business section 2/10/04		WFNO: 658,830 WYLD: 350,000 VoceroNews: 90,000 <i>City Bus.</i> circ: 37,900 Biz Radio: 658,830
Stamford, CT TEAM Meeting March 25, 2004	Brad Davis, WDRC – Hartford: phone inter- view w/ Michael Barrera 3/24/04	<i>Fairfield Citizen News</i> ran article promoting event 3/12/04 RegFair Board member James Knott Sr. wrote article about event for Business section of <i>Telegram & Gazette</i> 3/16/04 <i>Stamford Advocate</i> reporter Richard Lee covered event and interviewed Peter Sorum after Hearing <i>Greenwich Time</i> ran article about RegFair 3/26/04	Event information placed on website CTCalendar.com starting 3/1/04	WDRC: 980,410 <i>Fairfield</i> circ: 15,000 <i>Advocate</i> circ: 28,357 <i>Greenwich</i> circ: 12,887

Event/Date	Radio/TV Interviews	Newspaper Articles	Internet / Visits	Market Size/ Arbitron Rating
St. Louis, MO TEAM Meeting April 14, 2004		<i>St. Louis Small Business Monthly</i> had article about RegFair Hearing		Circulation: 85,000
Madison, WI TEAM Meeting April 27, 2004	"La Voz Hispana" KFIZ-1450 AM conducted a prerecorded interview in Spanish w/ José Méndez 4/19/04 "La Movida" WLMV-1480 AM: live phone interview in Spanish w/ José Méndez 4/21/04	<i>Sun Prairie (The Star)</i> conducted phone interview w/ Michael Barrera 4/22/04 <i>Milwaukee Journal Sentinel</i> ran article promoting event 4/27/04 <i>Milwaukee Community Journal</i> ran article promoting event 4/27/04		KFIZ: 418,580 WLMV: 348,590 <i>Sun</i> circ: 11,500 <i>Sentinel</i> circ: 430,755 <i>Comm.</i> circ: 75,000
Yonkers, NY TEAM Meeting April 28, 2004	City of Yonkers Cable TV taped entire program 4/28/04	<i>Journal News of Westchester</i> covered session 4/28/04	Yonkers Business Week.com promoted event on site starting 4/6/04 <i>Journal News.com</i> ran article 4/29/04 about local business owner in relation to event	<i>Journal</i> circ: 94,683
Lansing, MI TEAM Meeting April 29, 2004	Chris Holman Show, News/Talk WJIM-1240 AM interviewed Richard Temkin, MI District Director 4/23/04		Lansing State Journal.com ran article 4/26/04 promoting event	WJIM: 248,250 Journal circ: 80,000
Orlando, FL Nat'l RegFair Hearing May 19–21, 2004		<i>Jacksonville Business Journal</i> ran article 5/11/04 promoting event <i>Orlando Business Journal</i> ran article 5/13/04 promoting event		<i>Jacksonville</i> : 10,000 <i>Orlando</i> circ: 10,542
Rochester, MN Team Meeting June 10, 2004	Rick Peterson, "Good Morning Show" KROC-1340 AM interviewed Peter Sorum 6/11/04		Bizpathways.org ran ad about RegFair Hearing 6/8/04 Peter Sorum met w/ Congressman Gil Gutmacht's staff; former Mayor Chuck Canfield; other local leaders 6/9/04 Peter Sorum met w/ Mayor Ardell Brede 6/10/04	KROC: 139,060
Columbus, OH TEAM Meeting June 22, 2004	WVCO-1580 AM: live phone interview w/ Peter Sorum 6/22/04	Cincinnati Business Incubator, Inc., ran article about Hearing 6/10/04 Business First Columbus.bizjournals.com ran articles after event 7/2/04	News release about event posted on Columbus & Cincinnati web page News release for event ran on prweb.com	WVCO: 69,130

Event/Date	Radio/TV Interviews	Newspaper Articles	Internet / Visits	Market Size/ Arbitron Rating
Des Moines, IA TEAM Meeting June 24, 2004	Matt Kelly, Radio Iowa, conducted prerecorded phone interview w/ Michael Barrera about RegFair Hearing 6/22/04 for airing over 60 radio stations in IA	Jennifer DeWitt, QCTimes.com, ran article about ONO and promoting Hearing 6/12/04 Hawk Eye ran ad about RegFair Hearing 6/20/04		60 stations: 400,830 QCTimes: 54,000 Hawk Eye: 18,988
Billings, MT TEAM Meeting July 23, 2004	"Dave Berg in the Morning" (Northern Broadcast System) interview w/ Peter Sorum 7/31/04 "KXLO Live with Ken" interview w/ Peter Sorum 7/15/04 Wendy Austrim Price of "KOFI Coffee Talk" interview w/ Peter Sorum 7/15/04		Peter Sorum attended meetings w/ Sen. Conrad Burns, Rep. Denny Rehlberg, Sen. Max Baucus 7/17/04 Peter Sorum attended meetings w/ MT Chamber of Commerce and Small Business Dev. Ctr staff	Northern Sys: 98,150 KXLO: 64,100 KOFI: 98,380
Seattle, WA TEAM Meeting July 27, 2004	"Carl Jeffers Show" (KIRO-710 AM) live phone interview w/ Michael Barrera 7/18/04 Brian Gregory, Business Editor, KOMO Radio, interviewed Michael Barrera 7/26/04 Harmon Shay, Business Reporter, KNWX-1210, interviewed Michael Barrera 7/26/04 KOMO 4 News TV interviewed Michael Barrera at Somali Market in Seattle 7/26/04 Terry Minton, Northwestern Afternoon Cable News interviewed Michael Barrera at Somali Market 7/26/04	<i>Seattle Times</i> ran ad for Hearing in Business Events Calendar 7/21/04	Seattle Federal Executive ran ad about Hearing in July "Tip Sheet" issue Washington Policy Center-Current News ran ad on website promoting Hearing 7/13/04 Michael Barrera toured Chinatown/International District; met w/ Chinese, Somalian business owners 7/26/04 Michael Barrera met w/ group of Hispanic business and community leaders 7/27/04	KIRO: 1,659,100 KOMO: 1,659,100 KNWX: 1,659,000 Cable: 2 mil. <i>Times</i> : 220,00 4 News: 2 mil.
Salem, OR TEAM Meeting July 28, 2004	Chad Burton, KBNP-1410 AM, interview w/ Michael Barrera 8/3/04	<i>Albany Democrat Herald</i> ran ad about Roundtable 7/27/04 <i>Statesman Journal</i> ran ad in Business section about Roundtable 7/27/04 Matt Monaghan, Statesman Journal.com, wrote article about local business owners and promoting event 7/28/04		KBNP: 1,061,080 <i>Statesman J</i> : 56,570 Statesman.com: 59,000

Event/Date	Radio/TV Interviews	Newspaper Articles	Internet / Visits	Market Size/ Arbitron Rating
Phoenix, AZ TEAM Meeting September 29, 2004		<p><i>Arizona Republic</i> ran article about Hearing 9/30/04</p> <p><i>Arizona Daily Star</i> ran article about Hearing 9/30/04</p> <p>Michael Barrera was interviewed by two Hispanic newspapers, <i>Prensa Hispana</i> and <i>La Voz</i></p>		<p><i>Republic</i>: 486,131</p> <p><i>Star</i>: 107,815</p> <p><i>Prensa</i>: 65,000</p> <p><i>La Voz</i>: 50,000</p>
Totals (Potential)	Radio Listeners: 14,445,979	News Readers: 1,031,019	Web/TV Viewers: 4,307,238	All Media: 19,784,236

Sample News Coverage

<i>Milwaukee Journal Sentinel</i> Milwaukee, WI	Oct. 21, 2004: SBA Administrator Hector V. Barreto announced the event during a visit to Sonag Co. Inc., a Milwaukee construction firm that has secured government work.
<i>The Sacramento Bee</i> Sacramento, CA	Thursday, December 4, 2004: 1-3 p.m. – The U.S. Small Business Administration presents a forum called “National Small Business Ombudsman Reviews Excessive Federal Regulatory Enforcement” at Plaza Del Paso...
<i>Jacksonville Business Journal</i> Jacksonville, FL	May 11, 2004: The U.S. Small Business Administration is offering small business owners a chance to weigh in on excessive enforcement of federal rules, but they’ll have to travel to Orlando to do so. That’s the rule.
Bizpathways Rochester, MN	<p>Bizpathways Event</p> <p>Title: Small Business Regulatory Fairness Board Hearing</p> <p>Date: 6/10/2004</p> <p>Location: Rochester Community and Technical College Heintz Center, Rochester, Minnesota</p>
The Journal News.com Yonkers, NY	April 29, 2004: ...Yesterday, Pat Cory took his complaint to bureaucrats who assembled for a meeting of the U.S. Small Business Administration’s Regulatory Fairness Hearing Board in Yonkers.
<i>Lansing State Journal</i> Lansing, MI	April 26, 2004: Small-business owners who want to gripe about federal regulations will be heard this week, when an official will be in town from Washington, D.C., to lend an ear.
<i>Milwaukee Community News</i> Milwaukee, WI	April 24, 2004: National Small Business Ombudsman Review Excessive Federal Regulatory Enforcement: MADISON-Community and business leaders will discuss their concerns with Peter Sorum, senior advisor to the U.S. SBA’s National Ombudsman.
<i>Jacksonville Business News</i> Jacksonville, FL	As part of SBA Expo ‘04, the agency’s three-day national conference in Orlando this week, small business owners can attend the Regulatory Fairness Board hearing May 21. “We work with agencies back in Washington, D.C. to encourage a less punitive and more small-business friendly regulatory environment,” said SBA National Ombudsman Michael Barrera.
<i>Milwaukee Journal Sentinel</i> Milwaukee, WI	June 19, 2002: A Hearing of the SBA Regulatory Fairness Board is set for 9 a.m. to noon July 8 at the Italian Community Center, 631 E. Chicago St. On hand will be Michael Barrera, the SBA national ombudsman, who works with federal agencies to encourage a regulatory environment friendly to small business.
Cincinnati Business Incubator, Inc. Cincinnati, OH	...information gathered from the hearing will be shared with government officials in the ombudsman’s annual report to Congress and with directors and managers of federal regulatory agencies to help them with their enforcement actions.
Quad-City Times Online Davenport, IA	Michael Barrera, the national ombudsman for the U.S. Small Business Administration, or SBA, will host a regulatory enforcement fairness hearing June 24, via the Iowa Communications Network.

