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### WHITE HOUSE QUADRENNIAL SMALL BUSINESS SUMMIT ACT OF 2001

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FEBRUARY 7, 2002.—Ordered to be printed

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Mr. KERRY, from the Committee on Small Business and  
Entrepreneurship, submitted the following

### R E P O R T

[To accompany S. 396]

The Committee on Small Business and Entrepreneurship, to which was referred the bill, S. 396, to provide for national quadrennial summits on small business and state summits on small business, to establish the White House Quadrennial Commission on Small Business, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### I. DESCRIPTION OF BILL

The bill would establish the White House Commission on Small Business and authorize appropriations for the Commission to host meetings at the state and national levels on issues related to small business. In 2000, representatives of small businesses and organizers of prior White House Conferences on Small Business worked closely with the Committee on Small Business to develop legislation similar to the “White House Quadrennial Small Business Summit of 2001” (S. 396). The bill passed the Senate last year as part of the “Small Business Reauthorization Act of 2000” (S. 3121); however, the House Committee on Small Business did not have any opportunity to hold hearings on S. 396 prior to the end of the 106th Congress, and it was dropped during Conference.

The “White House Quadrennial Small Business Summit Act of 2001” is designed to capture and focus national attention on small business every four years. In this way, the nation will take the opportunity to study what is happening to small businesses throughout the United States. In one sense, S. 396 is designed to put small businesses on a pinnacle so the nation can appreciate what they

have accomplished. At the same time, and just as important, every four years those in Congress and the Administration will have an opportunity to learn from small businesses in each state what is not going well for them—such as, inadequate access to capital, difficulty attracting and retaining qualified workers, actions by the Federal Government that hinder small business growth, or state and local regulations that are a deterrent to starting a business.

S. 396 creates an independent, bipartisan White House Quadrennial Commission on Small Business, which will be made up of 8 small business advocates and the Small Business Administration's Chief Counsel for Advocacy. Every four years, during the first year following a presidential election, the President will name four National Commissioners. In the U.S. Senate and the House of Representatives, the Majority Leader and Minority Leader of each body will each name one National Commissioner.

Widespread participation from small businesses in each state will contribute to the work leading up to the White House Quadrennial Summit on Small Business, hereafter known as the Small Business Summit. Under the bill, the National Summit will take place one year after the Quadrennial Commissioners are appointed. The first act of the Commissioners will be to request that each Governor and each U.S. Senator name a small business delegate and an alternate delegate from their respective states to the Small Business Summit. Each U.S. Representative will be asked to name a small business delegate and an alternate from his or her Congressional district. And the President will name a delegate and an alternate from each state.

The delegates to the Small Business Summit must be owners or officers of small businesses. Prior to the Small Business Summit, there will be individual State Summits at which additional delegates will be elected to attend the Small Business Summit. Three delegates and three alternates will be elected for each Congressional district within the state.

The small business delegates will play a major role leading up to the Small Business Summit. The Committee will be looking to the small business delegates to develop and highlight issues of critical concern to small businesses. The work at the state level by the small business delegates will need to be thorough and thoughtful to make the Small Business Summit a success.

#### *Why hold a small business summit every four years*

For the past 15 years, small businesses have been the fastest growing sector of the U.S. economy. When large businesses were restructuring and laying off significant numbers of workers, small businesses not only filled the gap, but their growth actually caused a net increase in new jobs. Today, small businesses employ over half of all workers in the United States, and they generate nearly 55% of the gross domestic product. Were it not for small businesses, our country could not have experienced the sustained economic upsurge of the last decade.

Because small businesses play such a significant role in our economy, in both rural towns and bustling inner cities, the Committee believes it is important that the Federal Government sponsor a Small Business Summit every four years to highlight the successes of small businesses and to focus national attention on the problems

that may be hindering the ability of small businesses to start up and grow.

Small business ownership is, has been, and will continue to be the dream of millions of Americans. In fact, the United States has been so successful in promoting business ownership, people often lose sight of the very unique opportunities available to us, the opportunity to own and run our own business. Countries from all over the world send delegations to the United States to study why our system of small business ownership is so successful, all the while looking for ways to duplicate our success in their own country.

The goal behind S. 396 will be for the small business delegates to think broadly, that is, to think "outside of the box." Their attention should include, but not be restricted to, the traditional issues associated with small business concerns, such as access to capital, tax reform and regulatory reform. The Committee would urge future delegates to focus on a wide array of issues that significantly impact small businesses, including the importance of a solid education and the need for skilled, trained workers, as well as employee recruitment and retention issues. The Committee would also urge the delegates to consider obstacles faced by entrepreneurial small businesses and examine new economy issues, such as the future of E-commerce and its implications for small businesses.

Once the small business delegates are selected, the Small Business Summit will serve as a resource to the delegates for issue development and for planning the State Summits. The Small Business Commission will have a modest staff, including an Executive Director, that will work full time to make the State and Small Business Summits successes. A major resource to the Small Business Commission and its staff will be the Small Business Administration's Chief Counsel for Advocacy. The Chief Counsel and the Office of Advocacy will serve as a major resource to the Small Business Commission, and in turn, to the small business delegates, by providing them with both substantive background information and other administrative materials in order to support the State and Small Business Summits.

The Committee is pleased with the work of SBA's Office of Advocacy on previous Small Business Summits, formally known as White House Conferences. The Committee is equally pleased with the work of previous Small Business Commissions, and this legislation is not intended to limit their ability to conduct their responsibilities as they see fit. Rather, the provisions relating to contracting in the bill are intended to ensure the Commission seeks expert guidance. The Small Business Commission should in no way view this as a mandate to absolve them of their responsibility as the ultimate authority for implementation of the provisions of this bill.

The Committee recognizes that small businesses generally do not have the resources to maintain full time representatives to lobby the Federal Government. They are too busy running their businesses to devote much attention to educating government officials as to what is going well, what is going poorly, and what needs improvement. The White House Quadrennial Small Business Summit will give small businesses an opportunity, every four years, to make their mark on the Legislative and the Executive Branches.

## II. COMMITTEE VOTE

In compliance with rule XXVI(7)(b) of the Standing Rules of the Senate, the following vote was recorded on February 28, 2001. A motion by Senator Bond to adopt S. 396, the White House Quadrennial Small Business Summit Act of 2001 was approved by a recorded vote, 18–0, with the following Senators voting in the affirmative: Bond, Kerry, Burns, Bennett, Snowe, Enzi, Fitzgerald, Crapo, Allen, Ensign, Levin, Harkin, Lieberman, Wellstone, Cleland, Landrieu, Edwards, and Cantwell.

## III. EVALUATION OF REGULATORY IMPACT

In compliance with rule XXVI(11)(b) of the Standing Rules of the Senate, it is the opinion of the Committee that no significant additional regulatory impact will be incurred in carrying out the provisions of this legislation. There will be no additional impact on the personal privacy of companies or individuals who utilize the services provided.

## IV. CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirement of section 12 of rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.

## V. COST ESTIMATE

In compliance with rule XXVI(11)(a)(1) of the Standing Rules of the Senate, the Committee estimates the cost of the legislation will be equal to the amounts discussed in the following letter from the Congressional Budget Office.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, March 12, 2001.*

Hon. CHRISTOPHER S. BOND,  
*Chairman, Committee on Small Business, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 396, the White House Quadrennial Small Business Summit Act of 2001.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Ken Johnson.

Sincerely,

STEVEN LIEBERMAN  
(For Dan L. Crippen, Director).

Enclosure.

*S. 396—White House Quadrennial Small Business Summit Act of 2001*

Summary: S. 396 would establish the White House Quadrennial Commission on Small Business and authorize appropriations for the Commission to host meetings at the state and national levels on issues related to small business. The bill would require that the national meetings be held during the second year after each Presidential election. Also, S. 396 would require the Commission to sub-

mit a report to the President and the Congress within six months after each national meeting.

CBO estimates that implementing S. 396 would cost \$9 million during the 2002–2006 period, subject to the availability of appropriated funds. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 396 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 396 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By fiscal year, in millions of dollars—				
	2002	2003	2004	2005	2006
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level .....	5	0	0	0	5
Estimated Outlays .....	4	1	0	0	4

Basis of estimate: S. 396 would require the Commission to host a series of state and national meetings on small business issues during the second year after every Presidential election. The bill also would authorize the appropriation of \$5 million for each cycle of state and national meetings. Based on information from the Small Business Administration, CBO estimates that implementing the bill would cost \$4 million in 2002 and \$9 million during the 2002–2006 period, subject to the availability of appropriated funds.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 396 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Ken Johnson; Impact on State, Local, and Tribal Governments: Shelly Finlayson; and Impact on the Private Sector: Lauren Marks.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

## VI. SECTION-BY-SECTION ANALYSIS

### *Section 1. Short title*

The name of the Act will be the “White House Quadrennial Small Business Summit Act of 2001.”

### *Section 2. Definitions*

This section defines key words and terms included in the title.

### *Section 3. National and State summits on small business*

This section states that a national White House Quadrennial Summit on Small Business will occur every four years during the second year after a presidential election. Prior to the Small Business Summit, there will be State Summits for the delegates in each state.

*Section 4. Purposes of quadrennial summits*

This section sets forth the reasons for having a White House Quadrennial Summit on Small Business.

*Section 5. Summit participants*

Subsection (a) directs the Quadrennial Commission to conduct White House Quadrennial Summits on Small Business and State Summits to bring together individuals interested in issues affecting small businesses.

Subsection (b) sets forth the procedures for the appointment and election of delegates to the State Summits and the White House Quadrennial Summits on Small Business. A delegate must be an owner or officer of a small business. The Governors and U.S. Senators will each appoint a delegate and an alternate delegate from his respective state. U.S. Representatives will each appoint a delegate and alternate from his respective congressional district, and the President will appoint a delegate and alternate from each state. The delegates will be able to conduct meetings and will attend a State Summit in his respective state before the White House Quadrennial Summit on Small Business is held. At the State Summits, the participants will elect three delegates and three alternates for each congressional district within the State.

Paragraph (4) sets forth the powers and duties of the delegates to the Quadrennial Summit.

Subsection (c) describes the role of SBA's Chief Counsel for Advocacy with respect to the Quadrennial and State Summits.

Subsection (d) explains that the delegates will be responsible for their own expenses and will not be reimbursed from appropriated funds.

Subsection (e) directs the Quadrennial Commission to appoint an Advisory Committee of 10 persons who were participants at the last preceding White House Quadrennial Summit on Small Business.

Subsection (f) states that all State and White House Quadrennial Summits on Small Business will be open to the public and no fee greater than \$20 can be charged to people who wish to attend a summit.

*Section 6. White House Quadrennial Commission on Small Business*

Subsection (a) authorizes the establishment of a White House Quadrennial Commission on Small Business.

Subsection (b) defines the membership of the Quadrennial Commission, which numbers nine members in total. It shall include the SBA Chief Counsel for Advocacy, 4 members appointed by the President, 2 members from the Senate (1 majority, 1 minority), and 2 members from the House of Representatives (1 majority, 1 minority). The appointments will be made 18 months before the opening date of the White House Quadrennial Summit on Small Business and will expire six months after the White House Quadrennial Summit on Small Business has concluded.

Subsection (c) sets forth the election of a Chairperson.

Subsection (d) permits the Quadrennial Commission to enter into contracts with public agencies, private organizations, academic institutions, and independent, nonpartisan organizations to carry out

the State Summits and the White House Quadrennial Summit on Small Business.

Subsection (e) directs the White House Quadrennial Summit on Small Business to consult with the Office of Advocacy at SBA, Congress, and Federal agencies in carrying out the State Summits and the White House Quadrennial Summit on Small Business.

Subsection (f) requires that the Quadrennial Commission submit a report to the Chairperson and Ranking Minority Members of the Senate Committee on Small Business and Entrepreneurship and House Committee on Small Business within 6 months after the conclusion of the White House Quadrennial Summit on Small Business.

Subsection (g) establishes a quorum of 4 members of the Quadrennial Commission for purposes of transacting business.

Subsection (h) requires the Quadrennial Commission to hold its first meeting within 20 days after the appointment of all members and at least every 30 days thereafter.

Subsection (i) states that vacancies on the Quadrennial Commission will be filled in the same manner as the original appointments were made.

Subsection (j) authorizes the Quadrennial Commission to hire an Executive Director and the staff necessary to conduct the State Summits and White House Quadrennial Summit on Small Business.

Subsection (k) authorizes the Quadrennial Commission to reimburse its members for travel expenses, including per diem.

*Section 7. Authorization of appropriations; availability of funds*

This section authorizes \$5 million to cover all expenses for each White House Quadrennial Summit on Small Business incurred under this Act. It states that funds from the SBA may not support the White House Quadrennial Summit on Small Business unless specifically earmarked for that purpose.