

accountable for meeting subcontracting goals included in the Defense Authorization Act that was signed into law.

However, large contractors must also be held accountable for meeting subcontracting goals. While the vast majority of contractors honor these goals, some do not.

Currently, the Small Business Act holds bad actors accountable by imposing liquidated damages if prime contractors fail to make a good faith effort to meet the goals.

However, SBA regulations only offer examples of what they are supposed to do, not what would constitute a violation.

Consequently, the last time the law was enforced was in 1982. Because of this ambiguity, bad actors are able to continue receiving Federal contracts.

My legislation, H.R. 4284, the Service Provider Opportunity Clarification Act, or the SPOC Act, simply requires the SBA to issue rules explaining what a failure to act in good faith means, ensuring transparency and accountability in the subcontracting process.

I want to thank Congresswoman YVETTE CLARKE for her leadership promoting small-business participation in the procurement process and for cosponsoring this bipartisan effort.

I also thank chairman STEVE CHABOT for his leadership and Ranking Member NYDIA VELÁZQUEZ.

I thank the chairman for being an original cosponsor of this bill and for being a strong advocate for our Nation's emerging entrepreneurs. We must ensure that our local businesses have access to Federal contracts and subcontracts.

It is not just about helping the entrepreneurs. It is also about helping the workers they employ and keeping our community strong and prosperous. We should never forget the vital role that our local businesses play in our neighborhoods.

The reason small business is important, Mr. Speaker, is because small businesses have access and know the people who are in most need of jobs and opportunities.

Think of the immigrant family that recently arrived in this country and is hungry for opportunities to work or the kid who had to drop out of college to help his family.

It is these small firms, these small entrepreneurs, that have access to these needy people and can really help them rise up and give them these opportunities to work and prosper.

So I thank my colleagues for their support.

I urge passage of H.R. 4284.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, small firms continue expressing concern that it is increasingly difficult to find subcontracting opportunities as primes take on more of the work themselves. Agencies and contracting officers must do better to

ensure that small businesses have access to these opportunities.

The government-wide subcontracting goal has continually been lowered, from 36 percent in the 2012 and 2013 fiscal years, to just over 34 percent in fiscal year 2014. Despite this decrease, the goal is not being met, with only 33 percent of subcontracting dollars awarded to small firms.

But even these numbers are deceiving, as the percentage is based only on the subcontracting dollars reported. It is estimated that as many as 40 percent of prime contractors are not submitting subcontracting reports.

The changes in H.R. 4284 will ensure that this no longer occurs and that there are real consequences to those companies that try and evade their subcontracting obligations.

I once again urge my colleagues to support this measure.

I yield back the balance of my time. Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, clarifying an ambiguous provision in law in a way that promotes small-business participation without creating any new burdens on contractors is a win-win.

This provision helps contracting officers and large businesses better understand the law, aids small businesses looking to be subcontractors, and improves the quality of the data we use to make policy decisions.

This bill deserves the support of the House. I urge my colleagues to vote to suspend the rules and pass H.R. 4284.

I thank the ranking member of the Small Business Committee, Ms. VELÁZQUEZ, for working in a bipartisan manner on this bill, as we always try to do in the committee. I think we almost always achieve that goal. So I want to thank her for that.

I want to thank Mr. CURBELO again for his leadership. I thank Ms. CLARKE as well for working in bipartisan manner on this legislation.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 4284.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SMALL AGRICULTURE PRODUCER SIZE STANDARDS IMPROVEMENTS ACT OF 2015

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3714) to amend the Small Business Act to allow the Small Business Administration to establish size standards for small agricultural enterprises using the same process for establishing size standards for small business concerns, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Agriculture Producer Size Standards Improvements Act of 2015”.

SEC. 2. AMENDMENT TO DEFINITION OF AGRICULTURAL ENTERPRISES.

Paragraph (1) of section 18(b) of the Small Business Act (15 U.S.C. 647(b)(1)) is amended by striking “businesses” and inserting “small business concerns”.

SEC. 3. EQUAL TREATMENT OF SMALL FARMS.

Paragraph (1) of section 3(a) of the Small Business Act (15 U.S.C. 632(a)(1)) is amended by striking “operation: *Provided*,” and all that follows through the period at the end and inserting “operation.”.

SEC. 4. UPDATED SIZE STANDARDS.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Administrator of the Small Business Administration shall, by rule, establish size standards in accordance with section 3 of the Small Business Act (15 U.S.C. 632) for agricultural enterprises (as such term is defined in section 18(b)(1) of such Act).

(b) REVIEW.—Size standards established under subsection (a) are subject to the rolling review procedures established under section 1344(a) of the Small Business Jobs Act of 2010 (15 U.S.C. 632 note).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, pursuant to the Small Business Act, the Small Business Administration sets size standards for approximately 1,100 industries every 5 years.

These standards determine what is a small business for purposes of regulatory analyses, procurement programs, capital access, and technical entrepreneurial development assistance.

The SBA sets these size standards in accordance with statutory guidelines and using notice and comment rule-making. The Small Business Committee and, in particular, my colleague from Illinois (Mr. BOST), has spent a great deal of effort to make sure this is a transparent and accountable process.

However, agricultural enterprises have not been able to benefit from these advances due to a historic anomaly. Forty-six different industries, as diverse as cattle ranching and citrus

farming, are all subject to a single size standard that hasn't changed in nearly 20 years.

That means that, to qualify as small, a poultry farmer or a soybean producer can only have \$750,000 in receipts each year. That is receipts, not revenues. For some agricultural producers, \$750,000 does not cover the cost of a hobby farm.

H.R. 3714 levels the playing field for these small farmers. It does not set a size standard, but instead requires that the SBA examine the characteristics of these industries to develop size standards using the normal process. Recognizing that a small dairy doesn't look like a small corn farm is common sense.

My colleague, Mr. CURBELO of Florida, who chairs the Agriculture, Energy, and Trade Subcommittee of the Small Business Committee, held a hearing examining H.R. 3714, and the witnesses overwhelmingly supported this legislation.

H.R. 3714 was then included as part of a larger bill that passed the Small Business Committee in January, and it received bipartisan support.

I urge my colleagues to support and pass H.R. 3714.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 3714, the Small Agriculture Producer Size Standards Improvements Act of 2015.

Small businesses play a critical role in the American economy. They make up the vast majority of employer firms and create nearly two-thirds of new jobs.

Over the years, Congress has created numerous Federal program set-asides, tax preferences, and SBA loan programs to help small firms succeed.

Last year small businesses were able to access over \$28 billion in capital and \$90 billion in contracting opportunities because they met the definition of small. Many businesses used long-term loan proceeds to keep their doors open, retain employees, and create new jobs.

Since yesterday was tax day, I would also like to mention that small business-oriented tax provisions allow firms to write off expenses quickly, putting money back in their hands to create new avenues for growth.

However, the advantages conferred by this program can only occur if a business can show that they meet the industry-based definition of small business.

While, generally, SBA is tasked with defining size standards for over 1,100 industries that establish eligibility for its programs, agricultural standards have been exempted from this process.

Instead, Congress set a rigid gross revenue-base standard for all agriculture industries that has not been adjusted since 2000. However, since the time Congress first began setting the size standard, agricultural production has shifted dramatically.

The Small Agriculture Producer Size Standards Improvements Act, introduced by Mr. BOST and cosponsored by Ms. MENG, will eliminate the outdated size standard and gives SBA the authority to tailor standards that are reflective of the changes the industry has experienced as well as the variety of agricultural businesses across our country.

What is small for a cattleman is not the same for fresh produce producers or dairy farmers. The bill requires SBA to apply their current methodology, solicit feedback from industry stakeholders, and implement specific standards that can be tweaked periodically to respond to changes in the industry.

I, therefore, ask my fellow Members to support this bill.

I reserve the balance of my time.

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Mr. CHABOT. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. BOST), who put a lot of hard work and thought into this, and I thank him for his leadership on this matter.

Mr. BOST. Mr. Speaker, I thank the gentleman for yielding and for his support of this legislation to update and modernize the agricultural producers' small business size standards.

President Eisenhower once said: Farming looks mighty easy if your plow is a pencil and the closest cornfield is a thousand miles away. Unfortunately, this quote is accurate when describing the statutorily established size standards for agriculture producers.

Agricultural production is an important contributor to the American economy. According to the USDA, the total value of farm production exceeds \$390 billion, and the agricultural industry supports 16 million domestic jobs. Farmers and ranchers provide the food, fiber, and fuel that are critical to our daily lives.

Family-owned farms still account for the majority of farms and ranches in the United States. However, the advance of new technology has created increased productivity, leading to lower prices for many commodities. This downward pressure on prices is expected to increase, and newer technology will be adopted. As margins continue to thin, more and more single-owned family operations will consolidate into somewhat larger, multi-family-owned operations, but these are still small businesses.

Unfortunately, the current small business size standard for agriculture has been set in statute and is outdated. The standard is too low for a vast majority of farms and ranches to participate in potential government contracts and subcontracting opportunities.

Also, the SBA size standards are often used for Federal agencies to determine their obligations under the Regulatory Flexibility Act. This law helps ensure that the Federal agency establishes the potential impacts of

proposed regulations on small businesses. It also informs the consideration of less burdensome regulatory alternatives.

Unfortunately, the statutory standard has no rational basis. It appears that the number was just grabbed out of the air by a previous Congress. As a result, small business agriculture producers do not enjoy the potential benefit of small business classifications.

In the 30 years since the enactment of the statutory size standard, the Small Business Administration has specifically improved its process for determining small business size standards. This should address whatever issue previous Congresses had when it established these size standards.

Now, I believe it is important that the Congress and the Federal agencies promote consistency in policymaking. My legislation will help ensure that consistency.

I do want to thank the ranking member and the chairman for their support of this bill, and I appreciate the help and support that they have given.

Ms. VELÁZQUEZ. Mr. Speaker, I reserve the balance of my time.

Mr. CHABOT. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. CURBELO), who is chairman of the Subcommittee on Agriculture, Energy and Trade.

Mr. CURBELO of Florida. I thank the chairman for his steadfast leadership and advocacy on behalf of our Nation's small entrepreneurs.

Mr. Speaker, small business size standards are used by the Federal Government to determine eligibility to receive certain Federal contracts and SBA guarantee loans. They are also used by Federal agencies when they analyze the economic impact of new regulations on small businesses.

Size standards for most industries are developed through a congressionally mandated rulemaking process that is transparent and allows small businesses to provide input. The Small Business Administration analyzes a number of factors—average firm size, startup costs, entry barriers, industry competition, and the distribution of firms by size—and then proposes changes to small business size standards through the notice and comment rulemaking process. However, there is one glaring exception: the existing size standard for agricultural enterprises is established in statute and has not been updated in over 15 years.

The current standard for small farmers is \$750,000 in annual receipts. It applies to 46 different agricultural subsectors, from citrus groves to beef cattle ranching.

Small farmers and ranchers have been neglected for too long. The size standard setting process for agricultural enterprises needs to be modernized. The existing statutory size standard does not account for changes in industry structure, cost of production, economic conditions, or other factors.

Florida is the country's largest producer of squash, fresh tomatoes, and

fresh snap beans, among a great deal of other fruits and vegetables. Obviously, this would not be possible without the hard work of our Nation's small farmers and ranchers.

I am proud to join Ranking Member MENG in cosponsoring the Small Agriculture Producer Size Standards Improvements Act, which was introduced by Representative BOST.

H.R. 3714 would strike the \$750,000 statutory size standard and require the SBA to establish size standards for agricultural enterprises through the notice and comment rulemaking process.

It would also require those size standards to be periodically reviewed at least every 5 years. This will ensure that size standards for small farmers and ranchers are up to date so that they are able to compete for Federal contracts, have access to SBA guaranteed loans, and are considered when agencies draft new regulations.

Again, I want to thank Mr. BOST and Ranking Member MENG for their legislation. I also want to thank Chairman CHABOT and Ranking Member VELÁZQUEZ.

These are the types of bipartisan bills that will really improve the quality of life for our farmers and for all Americans. I urge passage.

Ms. VELÁZQUEZ. Mr. Speaker, like all other industries, the agricultural industry has changed over the last 30 years.

With new technologies, many agricultural businesses have been able to increase their production rates. The last Census of Agriculture found U.S. farms sold nearly \$395 billion in agricultural products, a 33 percent increase from the sales of 2007. Crop sales also increased by 48 percent.

The changes made in H.R. 3714 will give SBA the tools necessary to set size standards for those in agricultural production. The bill ensures these adjustments are done with careful consideration as to the effects on small farms. I once again would urge my colleagues to support this measure.

I yield back the balance of my time.

Mr. CHABOT. Mr. Speaker, in closing, allowing the SBA to develop rational size standards for small farmers, rather than perpetuating a one-size-fits-all approach, simply makes sense. It will allow these farmers to access the appropriate SBA programs and helps ensure that regulations are properly crafted.

The provision doesn't have any cost since SBA is already doing this for all other industries. This bill deserves the support of the House, and I would urge my colleagues to vote to suspend the rules and pass H.R. 3714.

Again, I want to thank the ranking member and the other Members that have been mentioned here today for their work on this important measure.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 3714.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MAXIMIZING SMALL BUSINESS COMPETITION ACT OF 2016

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4332) to amend the Small Business Act to clarify the duties of procurement center representatives with respect to reviewing solicitations for a contract or task order contract.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Maximizing Small Business Competition Act of 2016".

SEC. 2. DUTIES OF PROCUREMENT CENTER REPRESENTATIVES WITH RESPECT TO REVIEWING SOLICITATIONS FOR A CONTRACT OR TASK ORDER CONTRACT.

Section 15(1)(2) of the Small Business Act (15 U.S.C. 644(1)(2)(D)) is amended—

(1) by redesignating subparagraphs (E) through (I) as subparagraphs (F) through (J), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) review any solicitation for a contract or task order without regard to whether the contract or task order or part of the contract or task order is set aside for small business concerns, whether 1 or more contract or task order awards are reserved for small business concerns under a multiple award contract, or whether or not the solicitation would result in a bundled or consolidated contract (as defined in subsection (s)) or a bundled or consolidated task order;"

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Small Business has spent this Congress taking a hard look at how the SBA administers its programs. Given that the single most common complaint I receive on Federal contracting is that contracts are unjustly bundled and consolidated so that small businesses are denied the opportunity to compete, the SBA's role in the process became a priority.

The committee learned that a few years ago, the SBA essentially gave contracting officers a get-out-of-jail-free card on bundling and consolidation when it issued new regulations governing which contracts it would review. The SBA said that it would not review multiple award contracts if a single seat on the contract was reserved for a small business—a single seat.

While at first this might seem like a good way to allocate resources, it ignores the fact that a contracting officer can now evade the SBA review by simply reserving one award for a small business, even if the small business never receives any work. It means the contracting agency doesn't need to do its homework on how the contract can be structured to maximize competition. It means small businesses are denied meaningful opportunities to compete for work.

The gentleman from Mississippi (Mr. KELLY) has found a solution for this problem. H.R. 4332 prohibits the SBA from limiting review based on a so-called reserve or similar procedural measure.

The committee has documented that over 25 percent of small businesses previously engaged in Federal contracting have exited the marketplace since 2012. Ensuring that contracts aren't rigged to prevent their participation is one of many steps the Small Business Committee is examining to rebuild our industrial base.

This legislation was included as part of a larger bill that passed the Small Business Committee in January and received bipartisan support. I would urge my colleagues to support and pass H.R. 4332.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 4332, the Maximizing Small Business Competition Act of 2016. Purchasing more than \$400 billion in goods and services annually, the U.S. Government remains a consistent and reliable client for all businesses.

The Small Business Act requires that small businesses have a fair opportunity to compete for Federal contracts. To help facilitate awards to small firms, the act created a position of procurement center representatives, or PCRs. PCRs are placed throughout the country to monitor agencies' major buying activities, with the main goal of increasing the small business share of Federal procurement awards and ensuring that a fair portion of awards go to small businesses of all types.

These representatives are tasked with various duties, including initiating and recommending small businesses set-aside contracts. If the PCR feels that a contract or a portion of a contract can be set aside, he or she can file an appeal to an agency. However, due to decisions made internally at SBA, PCRs are no longer required to