



U.S. Small Business Administration

TESTIMONY of

REAR ADMIRAL (RET.) EARL GAY

National Ombudsman
U.S. Small Business Administration

House Small Business Committee

Subcommittee on Investigations, Oversight, and Regulations

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Thank you Chairman Hardy and Ranking Member Adams for providing me this opportunity to comment on how the Office of the National Ombudsman can and does help improve the regulatory environment for America's small businesses.

I look forward to working with this committee to improve the regulatory enforcement environment for our nation's 28 million small businesses. I am also excited that Darryl L DePriest is now on board as the Chief Counsel for the Office of Advocacy. I meet with Mr. DePriest weekly to discuss synergies our offices execute to ensure a fair regulatory environment. We both agree that a strong working relationship with frequent communication and collaboration is critical to the SBA's mission of counseling and protecting America's small businesses against unnecessary regulatory burdens.

While the Office of Advocacy is responsible for ensuring fairness in the implementation stages of federal regulations, the Office of the National Ombudsman (ONO) works to ensure regulations are being fairly enforced once they are enacted.

Pursuant to the Small Business Regulatory Enforcement Fairness Act ("SBREFA"), this office was created to serve as a powerful voice for America's small businesses.

In fulfilling this role, we conduct public hearings and outreach events (including roundtables and meetings) in each of SBA's ten regions, providing small businesses with forums where they voice their comments about federal regulatory enforcement actions without fear of retaliation.

We work with and encourage regulators to address entrepreneurs' comments and concerns promptly, and wherever possible, to opt for compliance assistance and education rather than moving directly to levy penalties and fines. Additionally, in our annual report to Congress, we rate federal agencies on the timeliness and quality of their responses to comments received from small businesses.

Our office also facilitates regional regulatory fairness boards (RegFair boards) in each of the SBA regions. Each RegFair board consists of 5 small business owners who serve as the eyes and ears for small businesses in their communities, states, and regions. They work with local small businesses to address regional concerns regarding federal regulatory enforcement or compliance issues. These RegFair boards have been and continue to be vital assets and advocates. In addition to receiving comments regarding regulatory fairness, our office also receives comments regarding other issues; such as, contracting, access to capital, loan policy and business training, counseling and other support.

During FY-15, our staff conducted more than 80 outreach events, 4 regional regulatory fairness hearings and 1 national hearing here in Washington, DC. Through the aggressive efforts of our district and regional offices and SBA resource partners and federal agency representatives, these roundtables and hearings continue to be very well attended and productive.

In my brief three months onboard, this office has held one regulatory enforcement fairness hearing, 2 small business roundtables in Nevada and several outreach events with small business owners and entrepreneurs. I have met and established personal relationships with senior leaders at 12 federal agencies, discussing ways we can better work together to reduce regulatory burdens

for small businesses. During the next six months we plan on conducting several roundtables and hearings and hosting our annual meeting with members of the ten regional regulatory fairness boards.

It is important to note that all of our hearings, meetings, and partnership programs with small business stakeholders, have been in close collaboration with other federal agencies, we truly value their critical presence and participation.

Attached you will find a schedule of the ONO activities for FY-15, as well as the planned events for the first two quarters of FY-16.

In closing, I'd like to state that, on behalf of Administrator Contreras-Sweet, and the great staff in the Office of the National Ombudsman, we look forward to working with all of our teammates and the members of Congress, to eliminate unnecessary regulatory burdens on small businesses as they continue to fuel America's economic prosperity.

I thank you again for the opportunity to appear here today and will be happy to answer any questions.