

Chief Counsel for Advocacy Testifies Before House Subcommittee

By Erik Gulbrandsen, Communications and Congressional Liaison

On February 10, Chief Counsel for Advocacy Darryl L. DePriest testified before the House Small Business Committee, Subcommittee on Investigations, Oversight and Regulations. The hearing titled, “Oversight of the Office of Advocacy and the Office of the National Ombudsman at the SBA,” was chaired by Congressman Cresent Hardy (R-NV). Also in attendance were Ranking Member Nydia Velazquez (D-NY) and Subcommittee Ranking Member Alma Adams (D-NC).

The hearing focused on general oversight of the Office of Advocacy and the SBA’s Office of the National Ombudsman.

Members inquired about the process Advocacy uses for reviewing federal regulations, and Chairman Hardy complimented the office on its handling of the Department of Labor’s overtime regulation. He was in agreement with Advocacy’s comment letter, and urged the office to continue to work to reduce the small business burdens as the rule moves forward.

Joining Chief Counsel DePriest was National Ombudsman Rear Admiral Earl L. Gay, USN (Ret.). The Ombudsman’s Office represents small business in post regulatory action, ensuring that regulations are being fairly enforced once they are enacted. Both

speakers stressed the importance of protecting the interests of small business and the continued need to elevate their concerns to the federal government.



Chief Counsel for Advocacy, Darryl L. DePriest (far right) testifying before the House Small Business Committee, Subcommittee on Investigations, Oversight, and Regulations. Also pictured, SBA National Ombudsman Rear Admiral Earl L. Gay, USN (Ret.).

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Regulatory News

OSHA Deputy Addresses Advocacy Roundtable

By Bruce Lundegren, Assistant Chief Counsel

On January 22, Jordan Barab, the deputy assistant secretary of labor for occupational safety and health, addressed Advocacy's small business regulatory roundtable on occupational safety and health issues. Mr. Barab, who has served as OSHA's deputy since 2009, discussed the agency's regulatory priorities for the coming year and beyond. Barab stated that finalizing OSHA's crystalline silica rule was the agency's top priority. It is currently under review at the Office of Management and Budget. He also discussed the upcoming Small Business Advocacy Review panel on process safety management (PSM), which the agency plans to convene in the near future. The PSM rulemaking, which stems from President Obama's Executive Order 13650 on chemical safety and security,



Participants listen to Assistant Chief Counsel Bruce Lundegren (middle) during a small business regulatory roundtable.

seeks to modernize OSHA's PSM and related standards in order to prevent major chemical accidents. For more information, please visit OSHA's new webpage at www.osha.gov/dsg/psm/index.html.

Barab identified three additional regulatory priorities: OSHA's proposed electronic injury and illness reporting rule, the cranes and derricks in construction standard, and the occupational exposure to

beryllium rule. He also stated that OSHA would like to convene a small business panel on vehicle backover hazards and that it is committed to updating its regulatory standards. The roundtable was attended by a number of small business representatives with an interest in occupational safety and health regulatory issues.

Union Kitchen Provides Recipe for Food Entrepreneur Success

By Janis Reyes, Assistant Chief Counsel

In January, Advocacy staffers met with Jonas Singer, co-founder of Union Kitchen, at a new \$2.75 million, 15,000-square foot facility in the Ivy City section of Washington, D.C. Union Kitchen is a food industry incubator; its two buildings provide many services to help new food entrepreneurs. These include commercial kitchen space and tools, consulting advice, publicity, catering services, and distribution to their stores and other nearby outlets. Singer explained that shared workspaces like Union Kitchen are important to help small businesses cut costs by pooling resources. Union Kitchen management also helps members navigate complicated local, state, and federal regula-

tions. For example, the management team completes regular

facility maintenance and works with small businesses to fulfill the

Continued on page 3



Jonas Singer, co-founder of Union Kitchen (right), describes the operation of the new facility to Advocacy Staff

Message from the Chief Counsel

Leading Advocacy and Getting Up to Speed on Small Business Issues

By Darryl L. DePriest, Chief Counsel for Advocacy

Another month has gone by at the Office of Advocacy and each and every day I am more excited to be at the helm of such an important part of the federal government. Some have described my learning curve at the office as drinking water from a fire hose, and I believe it is a compelling comparison. Through a whirlwind of meetings and informational sessions, I have been quickly absorbing the necessary information to lead this office for the next year.

My first day on the job, I signed a letter written to the Department of Veterans Affairs on their program for small business verification. We encouraged the agency to do a proper economic analysis despite their contention that the rule would not affect small entities. Shortly after this, I began preparing to testify before the House Small Business Committee, Subcommittee on Investigations, Oversight and Regulations (see page 1).

At the same time, I wanted to start my outreach efforts to the small business community. In January and February, I met with leaders from some of the small business trade associations. During these meetings we covered a wide range of topics: foreseeable challenges for small businesses this year, legislative priorities, and opportunities for further small business engage-

ment. I was also honored to speak at both the Small Business Legislative Council annual meeting and the National Small Business Association board of trustees meeting. By engaging these groups as well as other individual small business owners, I have come to understand some of the top concerns of small business, which is one of the most important parts of my role as chief counsel for advocacy.

To this end, later this month I will travel to California to meet with small businesses and small business stakeholders. During this trip, I will be touring Runway Incubator. Runway houses more than 80 startups in San Francisco. I look forward to learning more about their pitch competitions and participating in the panel discussions on how to spur the West Coast's small business economy. In addition, I will discuss new Advocacy research on entrepreneurship in science, technology, engineering, and math (STEM), and upcoming regulations and challenges that California small businesses are facing. I know this visit will give me more information to continue to be a strong small business voice before Congress, federal agencies, and the White House.

Traveling with me will be our Region 9 Advocate Yvonne Lee, our Chief Economist Christine



Kymn, and several of our research economists. This is only the beginning of my outreach efforts across the United States. To represent the small business community, I need to understand the struggles both near and far, from inside the Washington, D.C., beltway to the small towns of North Dakota and down to the Gulf Coast.

I want to reiterate the passion I have for representing the small business community. I have been working tirelessly to get up to speed on all of the issues facing small business, and I plan to continue to do so. As I lead Advocacy through the next year, I will maintain the strength of the office and continue to elevate the voice of small businesses to ensure that they have a seat at the regulatory table.

Union Kitchen, from page 2

requirements of inspections by the Food and Drug Administration and Occupational Safety and Health Administration.

Union Kitchen was created out of necessity. In 2012, Singer and

his co-founder, Cullen Gilchrist, opened the Blind Dog Café and needed extra commercial kitchen space to make more baked goods. They rented a 7,300-square foot space in another D.C. neighborhood with the help of an SBA

loan; to save money, they rented the extra space to other small businesses. Today, Union Kitchen has 85 members. To read more on Advocacy's visit to Union Kitchen visit our blog at: <http://advocacysba.sites.usa.gov>

The Missing Millennial Entrepreneurs

By Daniel Wilmoth, PhD, Research Economist

Mark Zuckerberg founded Facebook in 2004 while still in college. In 2012, he held an initial offering of stock to the public. By 2015, at age 31, he was among the richest people in the world, with wealth of over \$40 billion.

Zuckerberg is a member of the Millennial generation, those born from 1982 to 2000. The spectacular entrepreneurial successes of some Millennials create the impression of a generation in which entrepreneurship is thriving.

However, a new report from the Office of Advocacy reveals a different reality.

In 2014, less than 2 percent of Millennials reported that they were self-employed, compared with 7.6 percent for Generation X (born 1963 to 1981) and 8.3 percent for Baby Boomers (born 1944 to 1962). The report shows that low Millennial self-employment is partly caused by their relative youth and partly caused by a trend toward lower self-employment at

the relevant ages.

The report, called “The Missing Millennial Entrepreneurs,” is the first in a series on trends in entrepreneurship. It is available at www.sba.gov/sites/default/files/advocacy/Millennial_IB.pdf. The next report in the series will focus on entrepreneurs who have reached the traditional retirement age, a group sometimes called “encore entrepreneurs.”

Regulatory Alerts

- United States Citizenship and Immigration Services Proposes Amendments to High-Skilled Visa Regulations for Permanent and Temporary Workers; Comment deadline: February 29, 2016.
- Equal Employment Opportunity Commission to Require Employers with 100 or More Employees to Disclose Pay Data; Comment deadline: April 1, 2016.

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The Small Business Advocate

The Small Business Advocate newsletter is published by the U.S. Small Business Administration's Office of Advocacy. It is distributed electronically to 35,000 subscribers.

The Office of Advocacy is the independent voice for small business in the federal government. The office is the watchdog of the Regulatory Flexibility Act (RFA) and the source of small business statistics. Advocacy advances the views and concerns of small business before Congress, the White House, the federal agencies, the federal courts, and state policymakers.

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