

Advocacy Hosts Regional Innovation and Policy Event in Pittsburgh

by Ngozi Bell, Region III Advocate, and Rebecca Krafft, Editor

On March 12 and 13, the Office of Advocacy sponsored a regional innovation event in Pittsburgh, Pa., titled “Small Business and Government: Maximizing Entrepreneurship, Driving Innovation.” Held at the University of Pittsburgh’s Katz Business School, the event was another installment of the national innovation conversation Advocacy kicked off in Seattle last fall.

Advocacy organized 10 panel sessions around critical sectors and themes: high technology and innovation, life sciences, health care, energy, advanced materials, young entrepreneurship, women and minority entrepreneurship, information technology and urban entrepreneurship, manufacturing, and social entrepreneurship. The audience of more than 350 people actively participated in the conversation, raising important issues for each sector.

The makeup of each session

was meant to represent the sector ecosystem—the key components whose interdependence produces a cohesive environment in which entrepreneurship thrives. The result was a series of discussions that identified the core barriers, big ideas, or best practices necessary for that sector to thrive. A second important aspect was the interaction of the fundamental contributors to each sector, clearly illustrating the interdependence of the disciplines within a sector ecosystem.

Advocacy heard from all angles necessary to create, grow, and sustain regional business development: entrepreneurs, scientists, researchers, policymakers, and public institutions investing in education, research, and technology transfer.

Chief Counsel for Advocacy Winslow Sargeant kicked off both days’ events and actively participated in discussions for each session. Government representatives in

addition to Advocacy staff included SBA district office staff, and representatives from the offices of U.S. Senators Bob Casey (D-Pa.) and Pat Toomey (R-Pa.), Pennsylvania Governor Tom Corbett, and Pittsburgh Mayor Luke Ravenstahl. Officials of the U.S. Department of Energy, and state and local governments also took part.

It became clear in Pittsburgh that the innovation economy continues to thrive and broaden its impact. However, there continues to be a need for public-private platforms dynamic enough to adapt to the changing needs of core sectors like life sciences, health care, and energy, as well as emerging sectors like

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Chief Counsel Winslow Sargeant addressing the Young Entrepreneurs roundtable at Advocacy’s Pittsburgh innovation event.

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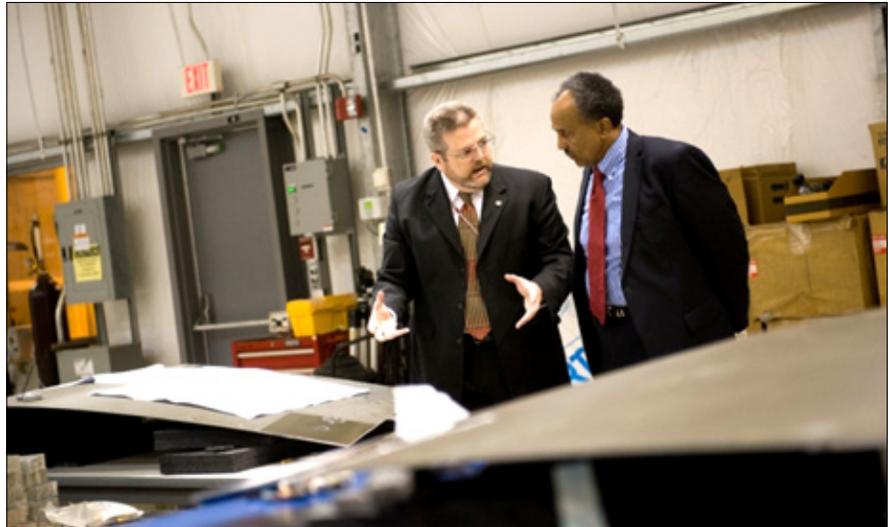
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Regional Roundup

Advocacy Participates in New Orleans Entrepreneur Week, Tours NASA's Michoud Assembly Facility

Chief Counsel for Advocacy Winslow Sargeant spoke on a March 19 panel during New Orleans Entrepreneur Week's (NOEW) Water Challenge, a day of fostering awareness of water-related issues and celebrating innovation that solves complex integrated water management challenges. The panel focused on integrated water management, public-private partnerships and technology innovation. Now in its fifth year, NOEW has become the premier showcase event for the New Orleans entrepreneurial ecosystem. Region VI Advocate Caitlin Cain and Assistant Chief Counsel Major Clark also took part in NOEW. The trip included a visit to NASA's Michoud Assembly Facility in New Orleans East.



Michoud Assembly Facility's Deputy Director Robert Champion explains carbon fiber placement technology to Advocacy Assistant Chief Counsel Major Clark at the National Center for Advanced Manufacturing located at NASA's site in New Orleans East. *Photo: Eric Bordelon, Michoud Assembly Facility*

USCIS Phases in New Form I-9

The U.S. Citizenship and Immigration Services (USCIS) has published a new employment eligibility verification form (Form I-9), now available for immediate use by employers. Previous versions of Form I-9 may be used until May 7, 2013. After this date, all employers must use the revised Form I-9 for each new employee hired in the United States.

The revised Form I-9 includes new fields and a new format to reduce errors. The instructions also more clearly describe the information employees and employers must provide in each section.

English and Spanish versions are available. To order forms, call USCIS toll-free at (800) 870-3673. For downloadable forms and information on immigration laws as well as USCIS programs, regulations and procedures, please visit www.uscis.gov/I-9central.

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urban and social entrepreneurship.

The introduction of so many diverse and dynamic individuals within the region sparked a great deal of energy as new networks and connections took root. Participants were surprised to discover clusters of innovators within their own

area code, and were thrilled at the focus on urban and social entrepreneurship as regional engines of growth in the innovation economy. This event is an important part of a much larger conversation as Advocacy plans ways for subsequent engagement to continue our ongoing constructive dialogue about barriers, best practices, and innovation.

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Message from the Chief Counsel

Advocacy Works with the 113th Congress

by Dr. Winslow Sargeant, Chief Counsel for Advocacy

The Office of Advocacy's primary mission is to be the voice of small business within the federal government. On March 14, I had the honor of testifying before the U.S. House Committee on Small Business Subcommittee on Investigations, Oversight, and Regulations. The hearing, titled "Regulating the Regulators—Reducing Burdens on Small Business," focused on federal agency compliance with the Regulatory Flexibility Act (RFA), a core Advocacy concern.

For more than 30 years, the RFA has required federal agencies to review regulations for their impact on small businesses and consider less burdensome alternatives that accomplish the agency's mission. Compliance with the RFA has helped save small businesses billions of dollars in regulatory costs.

As Congress begins to look into ways to strengthen the RFA and Advocacy, I want to share our current legislative priorities. The RFA is Advocacy's most important tool in representing small business in federal matters. It has evolved over

the years. Each year Advocacy assesses the law's effectiveness and proposes relevant improvements. This review is conducted by attorneys and practitioners who work with this law every day. Our three legislative priorities for improving the RFA are:

1. Review of Existing Rules.

With new regulations being promulgated each year, the cumulative impact on small businesses should be considered. Periodic review of existing regulations helps mitigate this impact. Advocacy believes there should be additional triggers for such reviews.

Amendment: Strengthen section 610 of the RFA, which requires agencies to review regulations at the 10-year mark to assess their present-day impact. Section 610 should provide for public petitions to review rules that disproportionately affect small businesses regardless of how long they have been in place. Additionally, the list of scheduled section 610 reviews should be incorporated into the section 602 Regulatory Agenda.

2. Improve SBREFA Panels.

The SBREFA panel process (named for Small Business Regulatory Enforcement Fairness Act) allows small business input in rulemakings at the Environmental Protection Agency, Occupational Safety and Health Administration, and Consumer Financial Protection Bureau. To enable panels to work efficiently and allow maximum small business input, at least two months' notice of an impending panel is needed. Small entity representatives benefit by having the necessary data to participate meaningfully on the panels. Amending section 609 of the RFA would address these issues and improve panels.

Amendment: Modify section 609 of the RFA to require more detailed notification in advance of convening a panel and to specify information that must be provided to small entity representatives.

3. Narrowly Analyze Indirect Economic Impacts. The RFA does not require agencies to consider the

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Former Chief Counsels for Advocacy Thomas M. Sullivan (left) and Jere W. Glover attended the March 14 hearing and submitted a letter voicing their support for the office into the public record.

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impact of a proposed rule on small businesses that are not directly regulated by the rule, even when the impacts are foreseeable and often significant. Advocacy believes that the foreseeable indirect effects should be part of RFA analysis, but that the definition of indirect effects should be specific and limited so that the law's analytical requirements remain reasonable.

Amendment: Amend section 601 of the RFA to define "impact" as including the reasonably foreseeable effects on small entities which:

- purchase products or services from, sell products or services to, or otherwise conduct business with entities directly regulated by the rule;
- are directly regulated by other governmental entities as a result of the rule; or
- are subject to other agency regulations as a result of the rule.

Advocacy is prepared to work with Congress on these and other ideas for improving the RFA and on any other legislation to support small business. While we are wary

of any change that might potentially overwhelm the RFA's unique purpose or undermine its effectiveness, we believe that these measured changes would improve it.

Small Business Recovery

by Brian Headd, Economist

The U.S. economy has reached a point in the recovery where we can now see how much worse the recent downturn, the Great Recession, was for small businesses as compared to the downturn of the early 2000s. The Office of Advocacy's *Small Business Quarterly Bulletin* for 4th quarter 2012 illustrates small business recovery since mid-2009. While the recovery has not been quick, it's clear that key small business indicators—business bankruptcies, demand for loans, and small firm employment—are improving (Table 1).

Nevertheless, challenges remain, for instance the less fluid nature of the labor force, post-recession.

For ongoing detail, see the *Small Business Quarterly Bulletin* at www.sba.gov/advocacy.

Table 1. Changes in Key Small Business Indicators

Indicator	Percent Change, 2011–2012
Business bankruptcies	-19.3
Proprietors' income	3.8
Self-employment	1.4
Commercial loans outstanding	11.6

Source: Administrative Office of the U.S. Courts, Bureau of Economic Analysis, U.S. Census Bureau and Federal Reserve Board of Governors.

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