

May 12, 2014

The Honorable Sam Graves
Chairman
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Administrator Contreras-Sweet has asked me to respond to your April 24, 2014, letter regarding a proposed change to the U.S. Small Business Administration's (SBA) regulations affecting the use and disclosure of information collected from SBA's resource partners, including Small Business Development Centers (SBDCs), Women's Business Centers (WBCs) and SCORE, as well as from the clients of resource partners. This rule addresses SBA's confidentiality protections over information collected when conducting financial examinations, programmatic reviews, polls, surveys, and any other collections of information associated with our resource partners and their clients.

SBA is directed under Sections 21(a)(7)(c) and 29(n)(3) of the Small Business Act (15 U.S.C. 648(a)(7)(c) and 656(n)(3)) to promulgate regulations to establish standards for the disclosure and use of certain client information when the Agency conducts a financial audit of an SBDC or WBC, or conducts surveys of SBDC clients. This proposed rule does not set new standards for the disclosure and use of information because SBA already has standards in place. Rather, this rule would make it clear that those existing standards covering other SBA client information will also apply to information collected from resource partners and their clients. Therefore, this proposed rule proposes to incorporate the standards that govern the protection and disclosure of confidential SBA-held business information, as well as standards that cover the protection and disclosure of personal information under the Privacy Act of 1974, 5 U.S.C. 552a.

In your letter, you requested more information about the rationale for the conclusion that "no concerns were raised during those calls and no comments were raised that needed to be addressed in this rule." Moreover, you requested tapes of conversations, memorialization of calls in notes, and any other material that is part of the rulemaking record related to this conclusion.

In direct response to the numbered items in your letter, I am able to communicate to you that:

1. While SBA has retained recordings of 8 different calls with resource partners, none of those recordings involved a discussion of the Agency's proposed rule on "Management and Technical Assistance Service Providers Information".
2. There were several calls with resource partners during the first three weeks of June where information about the proposed regulation, which was in the drafting and pre-decisional stage, was shared. There are no notes, recordings, or other memorialization of those calls. Feedback including requests for email comments was requested from the resource partners. SBA received an email noting "no comment" from SCORE. However, no other comments were received from the resource partners regarding this proposed rulemaking.
3. Presently, there is no other material that is part of the rulemaking record. Any material received by SBA related to this rulemaking will be placed in the docket and is publicly available at regulations.gov in docket # SBA-2014-0005.

I hope I have been able to address your questions regarding the proposed rulemaking.

We appreciate your continued support of SBA and America's small business community. If we can be of further assistance to you, please contact Nicholas Coutsos, SBA Assistant Administrator for Congressional and Legislative Affairs, at (202) 205-6335.

Sincerely,

Tameka Montgomery
Associate Administrator
for Entrepreneurial Development