

Chief Counsel Travels to Regions II and VII for Face-To-Face Small Business Meetings

by Rebecca Krafft, Editor

In April, Chief Counsel for Advocacy Winslow Sargeant traveled to New York and the Midwest to hear directly from small businesses. Regional Advocates Teri Coaxum (Region II) and Becky Greenwald (Region VII) planned and participated in the tours.

On his first day in Syracuse, N.Y., Dr. Sargeant met with owners of a wide variety of small businesses: George W. Hanford, the sixth-generation owner of G.C. Hanford Manufacturing Company; Tony Baird, owner of Tony Baird Electronics; Stella Penizotto, owner of Sunshine Daycare Center; and Aubrey James, owner of Lashes, Locks, and Lips (a wedding services business).

Dr. Sargeant and Teri Coaxum also met with faculty and students at Syracuse University (SU), including Mike Haynie, executive director of the Institute for Veterans and Military Families, and Tina Kapral, director of educational programs, including Boots to

Business at SU's Whitman School of Management.

Day two of the trip consisted of a morning roundtable with SU students and professors and an afternoon tour of the Syracuse Technology Garden, CenterState Corporation for Economic Opportunity. One of the businesses visited was a company called Glyphr, whose free mobile app lets users experience two-dimensional content in three-dimensions.

The Region VII itinerary touched three key areas: Ames, Iowa, and Maryville and St. Louis, Missouri (on opposite sides of the state).

In Ames, Dr. Sargeant and Becky Greenwald visited Iowa State University, the anchor of the emerging Iowa innovation and bioeconomy corridor between Ames and Des Moines. They visited several cutting edge businesses and programs: PowerFilm, Inc., a developer and manufacturer of thin, flexible solar modules;

ISU's Virtual Reality Applications Center, one of only two such centers in the world; and the Center

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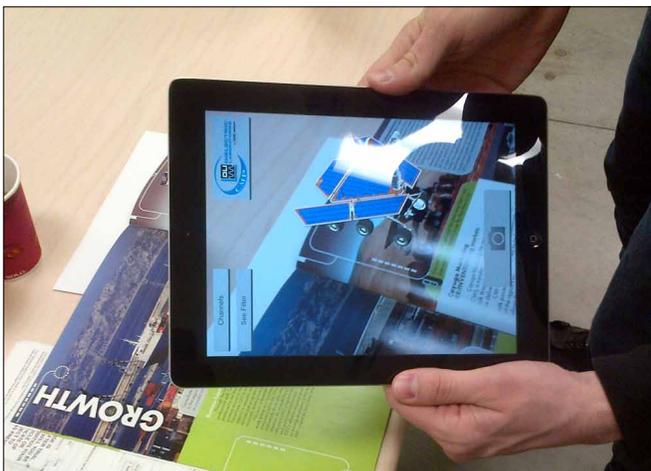
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Left: A demonstration of Glyphr, a free app produced by a company housed in the Syracuse Technology Garden.

Right: Seth Mulligan, executive director of the CleanTech Center, shows Chief Counsel Sargeant products from Full Circle Feed, a startup in the Syracuse Technology Garden that creates dog treats from campus dining hall wastes.

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for Biorenewable Chemicals. They attended a roundtable at ISU's Research Park with leading business owners and service providers.

Dr. Sargeant returned to Washington to testify on Capitol Hill, and Greenwald traveled separately to Maryville, home to Northwest Missouri State University and the Center for Innovation and Entrepreneurship (CIE). Thanks to CIE Director Larry Lee, Greenwald met with two

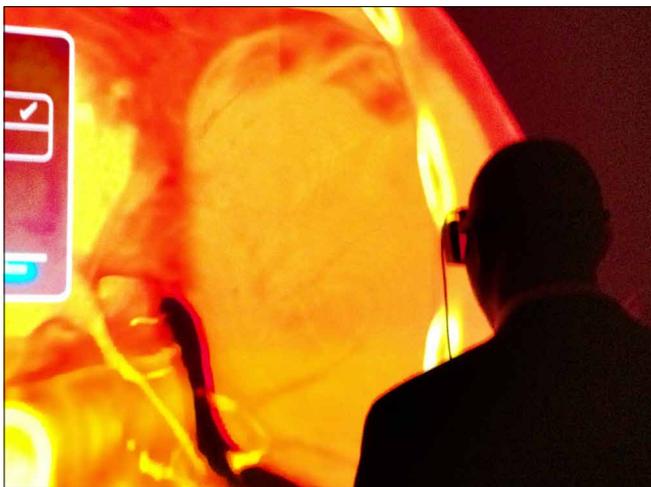
CIE businesses, ChloroFill LLC and BlurPort, and toured CIE's state-of-the-art facilities, which include a field emission scanning electron microscope with magnification power of up to 1 million.

In St. Louis, Dr. Sargeant and Greenwald met with the head of Justine Petersen, Inc., a leading St. Louis micro-lender which has recently expanded to the Kansas City region. Two roundtables were held at the Center for Emerging Technologies, and 18 community and business leaders provided input on pressing issues involv-

ing federal programs, regulations, and the Affordable Care Act.

The tour ended with a visit to the BioGenerator Accelerator Labs, a lab and office facility that allows researchers and entrepreneurs to establish operations and initiate proof of concept studies without having to purchase equipment and rent lab space.

The trips to both regions provided firsthand insight into the day-to-day realities of business operations, and business owners' and entrepreneurs' visions for future products, markets, and opportunities.



Left: Iowa State University Virtual Reality Applications Center BodyViz displays a 3-dimensional view of medical data. Right: Chief Counsel Sargeant receives a demo of PowerFilm Solar from PowerFilm cofounder and CEO Frank Jeffrey.

Regulatory News

Advocacy Comments on Small Business Impacts of FCC's Proposed Aviation Communications Rules

by Bruce Lundegren, Assistant Chief Counsel

On April 24, the Office of Advocacy filed comments on the Federal Communications Commission's (FCC's) proposed Aviation Communications rules. The proposed rules consider whether the FCC should prohibit the use of emergency locator transmitters (ELTs) operating on the 121.5 MHz frequency (as well as their manufacture, importation, or sale). ELTs are

radio beacons that alert search-and-rescue personnel that an aircraft has crashed and identify the location of the aircraft and survivors. The FCC proposes this ban chiefly because the international Cospas-Sarsat satellite system, which relays distress alerts to search-and-rescue authorities, stopped monitoring the 121.5 MHz frequency in 2009

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Message from the Chief Counsel

Advocacy's Work in the Year Ahead

by Dr. Winslow Sargeant, Chief Counsel for Advocacy

On April 17, I testified before the Senate Committee on Small Business and Entrepreneurship on the administration's FY 2014 budget request for the Office of Advocacy. Since 2012, Advocacy has had its own statutory line item in the budget, and the office's funds are now segregated in a separate Treasury account. This means that Congress sets the amount available for Advocacy's direct costs, and these funds are not commingled with other Small Business Administration funding. The enactment of these budgetary provisions underscores Advocacy's independence and demonstrates the intent of Congress to identify clearly the resources available to Advocacy, provide a basis for performance measurement, and promote certainty in Advocacy budgets.

Advocacy's independence allows it to take strong positions in its comment letters, publications, testimony and other work, and this independence allows me to transmit directly to policymakers the unfiltered views of Advocacy's small

entity stakeholders.

President Obama's budget request for FY 2014 is the third one reflecting the establishment of the new Treasury account for Advocacy. My office's new request totals \$8.455 billion for FY 2014. In recognition of the need for federal agencies to reduce their budget requests during the current economic conditions, Advocacy's FY 2014 request is \$191,000 (or 2.2 percent) less than our FY 2013 enacted level.

Last year, Advocacy launched the Innovation Initiative to focus on issues faced by high-growth companies and entrepreneurs. These innovative businesses face different challenges in starting, maintaining and growing their operations than do other types of small businesses. They often pioneer technologies, business models, and practices that are not yet addressed by the federal government's existing regulations and processes.

Advocacy's 10 regional advocates, supported by our attorneys and economists in Washington, are

conducting outreach to innovators, entrepreneurs, investors, research universities, and industry representatives to hear firsthand what impediments exist for innovative small businesses in high-growth sectors. Two very successful regional conferences have been held in Seattle and Pittsburgh as part of the Innovation Initiative. Advocacy will inform policymakers in Congress, the White House, and federal agencies of specific concerns voiced by small innovators, and we will work to facilitate the adoption of regulations and administrative practices that take these into account.

The Office of Advocacy is a solid investment for America's taxpayers. During the most recent five-year period for which final data are available (FY 2008 through FY 2012), each \$981 spent on the Office of Advocacy yielded \$1 million in regulatory cost savings. This is indeed a good value, and enactment of Advocacy's budget request will allow this important work to continue.

Aviation Rules, from page 2.

in favor of the newer, digital 406 MHz frequency. However, many of the older ELTs are still in use and other search-and-rescue entities still monitor this frequency.

Advocacy hosted a small business roundtable and organized meetings at the FCC and U.S. Department of Transportation to discuss small business concerns. Advocacy's comments reflect the input received at these sessions.

While some in the search-and-rescue community support

the FCC's proposed rules, small business aviation stakeholders strenuously oppose them. The main concern is the prohibition of the use of 121.5 MHz ELTs, which would require retrofitting much of the general aviation fleet. This group also objects to the FCC's proceeding without the full concurrence of the Federal Aviation Administration (FAA), the chief U.S. government agency responsible for aviation safety. FAA asked the FCC in 2010 not to implement the proposed rules and raised concerns about the costs and

availability of replacement ELTs.

Small business aviation stakeholders believe that the FCC should have conducted a cost-benefit analysis of the proposed rules; they also noted that FAA has considered prohibiting the use of 121.5 MHz ELTs, but has declined to do so.

Advocacy's letter states that the FCC's initial regulatory flexibility analysis conducted pursuant to the Regulatory Flexibility Act is deficient and recommends that the FCC revise and republish it for public comment before proceeding with this rulemaking.

Jody Wharton, Director of Information, Retires

Jody Wharton is on her way!

Advocacy's director of information since 2000 retired from federal service in May. Jody's roots in small business advocacy run deep: she came to the office

in 1978 to work for the first chief counsel for advocacy, Milt Stewart. In the intervening three and a half decades, she worked on the House Small Business Committee and all three White House Conferences on

Small Business (1980, 1986, and 1995). Jody's dedication to small business, her institutional memory, and her winning leadership style will be greatly missed.

All the best to you, Jody!



"Jody has walked the walk for more than 30 years . . . there are few people who have had as much of an impact on creating a public policy environment conducive to the growth of small business as Jody."

—John S. Satagaj, *Small Business Legislative Council*

"Jody Wharton is one of the constants in my 25 years of small business advocacy. Whether it was sticking up for fair competition, ensuring a successful White House Conference on Small Business, or ably helping to lead the Office of Advocacy, Jody never lost sight of the needs of the small businesses at the center of all that activity."

—Todd McCracken, *National Small Business Association*

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