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Annual Report to Congress

A Voice for Small Business



Office of the
NATIONAL OMBUDSMAN



2019 Annual Report to Congress

A Voice for Small Business

**United States Small Business
Administration
Office of the National Ombudsman**

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Message from the Administrator

The U.S. Small Business Administration (SBA) is proud to recognize the work the Office of the National Ombudsman (ONO) does to ensure Federal regulations are fairly enforced and that they do not impose unreasonable burdens on small businesses. Through extensive outreach, ONO educates entrepreneurs about regulatory compliance and provides a forum in which small business owners can share their concerns. For more than two decades, ONO has provided small businesses with the resources and support they need to start, grow, expand, and recover in a fair regulatory climate.

As the shockwaves created by the pandemic continue to reverberate across the small business sector, the role of the ONO is more critical than ever. The ONO provides assistance to distressed small businesses experiencing excessive or unfair federal regulatory enforcement actions, helping them remain solvent through this difficult time.

Despite painful drops in revenue, small business owners are remarkably optimistic about the future, with more than half expecting they will return to pre-pandemic levels of profitability in the second half of the year. Much of this optimism stems from the ongoing efforts by the Trump Administration to alleviate or remove barriers that frustrate growth and or complicate the ability of businesses to adapt to current challenges. I've witnessed firsthand how small businesses are, by necessity, creatively pivoting during this season and training their employees with new skills to support changing business models.

As small businesses and displaced workers continue to make improvisational changes to survive, the Trump Administration is taking unprecedented steps to encourage innovative private-sector solutions through targeted deregulation. At the direction of the President, Federal agencies have already taken more than 700 deregulatory actions, including temporarily waiving and rescinding rules that create obstacles to job creation and growth. Simply put, rolling back these unnecessary regulations means entrepreneurs get to keep more of their hard-earned profit and workers' wages increase.

As the regulatory environment evolves, small businesses need a trusted source of information. ONO has done extensive outreach to ensure small businesses are aware of the services it provides. In FY2019, ONO has focused its outreach on innovation hubs that represent sources of job creation, economically distressed regions, and mid-tier cities with a high concentration of small businesses facing regulatory challenges.

- The Agency completed 45 outreach events and heard from small business owners, entrepreneurs, and lenders representing various industries.
- The SBA conducted seven Regional Regulatory Fairness Roundtables across four SBA regions.

- ONO met with senior officials representing 25 Federal agencies, which resulted in invitations from Federal agencies for an ONO representative to serve as a keynote speaker and panelist at Industry Day events or for the SBA to have a presence at these events as an exhibitor. These forums enabled the SBA to raise awareness of its mission by outreach to 5,565 small business owners.

I am proud of the work Former National Ombudsman and Assistant Administrator for Regulatory Enforcement Fairness Stefanie Wehagen and her team have done to help small businesses succeed through the fair implementation of Federal policy.

Regulatory reform is just one of the priorities this Administration has implemented to help our Nation's 30 million small businesses recover and spur our economy. The President's pro-growth policies of job creation, tax reduction, and workforce development propelled our economy to historic levels of prosperity over the last three years, including the recent record-breaking jobs reports. With the enactment of the President's modern trade deal – the United-States-Mexico-Canada Agreement – the SBA's Office of International Trade is actively helping small businesses capitalize on expanded export markets created in our closest trading partners. The SBA is promoting the Opportunity Zone Program created by the President's Tax Cuts and Jobs Act, which provides tax breaks aimed at fostering long-term economic development in more than 8,700 designated low-income communities across the country.

While the SBA is laser-focused on helping small businesses keep their doors open and workers on payroll through this challenging year, it is simultaneously continuing its mission to foster opportunities for aspiring and current small businesses, especially for those in underserved communities, women, and veterans. America's entrepreneurs are innovators who take risks on ideas, invest in their communities, and create jobs. Their skills and creativity not only support their own families, they also make our neighborhoods vibrant places to live and work. The Agency is committed to maintaining a fair, regulatory climate for entrepreneurs to not just survive, but continue to fuel the Nation's economic strength.

Sincerely,



Jovita Carranza
SBA Administrator

Executive Summary

The U.S. Small Business Administration (SBA) Office of the National Ombudsman (ONO) was established in 1996 to represent small business interests, giving them a voice in the Federal government. ONO acts on behalf of small businesses when they are subjected to excessive or unfair Federal regulatory enforcement actions.

Utilizing its network of Federal agency partners and Regional Regulatory Fairness Boards, ONO conducts nationwide outreach to small businesses in various industries requiring regulatory assistance. ONO also rates Federal agencies on their compliance with the Small Business Regulatory Enforcement Fairness Act (SBREFA) and helps mitigate excessive fines, penalties, and unfair Federal regulatory enforcement actions taken on small businesses.

FY2019 Accomplishments

Through FY2019, the U.S. Small Business Administration (SBA) sought to ensure fair regulation of small businesses and help in the growth of entrepreneurship by increasing awareness of the Office of the National Ombudsman (ONO) and its mission, performing outreach to solicit complaints on behalf of small businesses, and monitor and mitigate regulatory concerns by forging and maintaining partnerships with other Federal agencies.

ONO's outreach strategies with small businesses and entrepreneurs were focused on innovation hubs that represent sources of job creation; economically distressed regions; and mid-tier cities with a high concentration of small businesses facing regulatory challenges. ONO completed 45 outreach events where it heard from small business owners, entrepreneurs, and lenders representing various industries. ONO also conducted seven Regional Regulatory Fairness Roundtables across four SBA regions. ONO established new relationships with national and local trade association leaders and leveraged its resource partners to communicate to small business owners with whom they interface.

On average, ONO has received nearly 400 complaints each year over the past five years. In FY2019, the SBA intervened on behalf of 292 small businesses that had formally filed complaints.

Continued...

Through its Regional Regulatory Fairness Boards, established in each of SBA's 10 regions, ONO was able to reach small business owners in multiple regions to directly address regulatory concerns specific to their industry and region. Board members monitor trends associated with systemic issues that span across regional boundaries. They listen to small business owners, ask probing questions to identify the underlying issues and their root causes, and bring these issues to the attention of the National Ombudsman, who in turn, raises them to Federal regulators.

ONO's Board members facilitate dialogue with small businesses and trade association leaders at regional roundtables. Board members also traveled to Washington, DC, for ONO's National Hearing and Annual Board Meeting in August 2019. ONO is currently working to build a pipeline of candidates to fill current and projected board member vacancies.

In its work to ensure regulatory fairness on behalf of small businesses, ONO met with senior officials representing 25 Federal agencies. The increased levels of engagement resulted in invitations from Federal agencies for an ONO representative to serve as a keynote speaker and panelist at Industry Day events or for the SBA to have a presence at these events as an exhibitor. These forums enabled ONO to raise awareness of its mission by outreach to 5,565 small business owners (e.g., Federal contractors, innovators, and inventors).



“The Ombudsman’s office is a critical voice for small business – one that can be heard at the core of government agencies as they balance the need for rules against the unintended burden of overreaching or unfair regulation.”

Marilyn Landis
Region III

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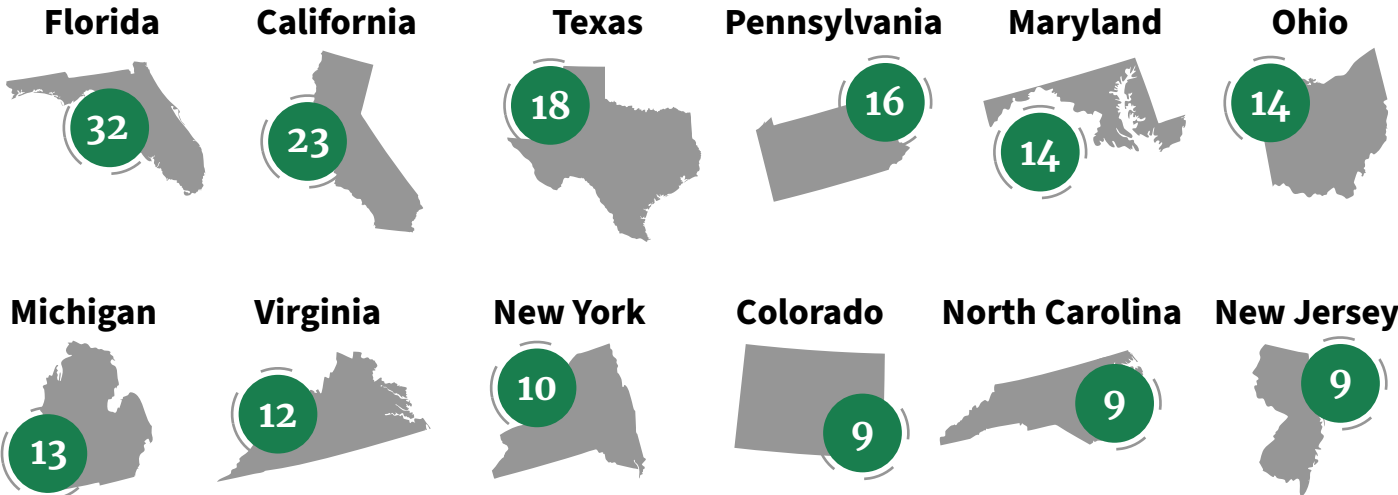
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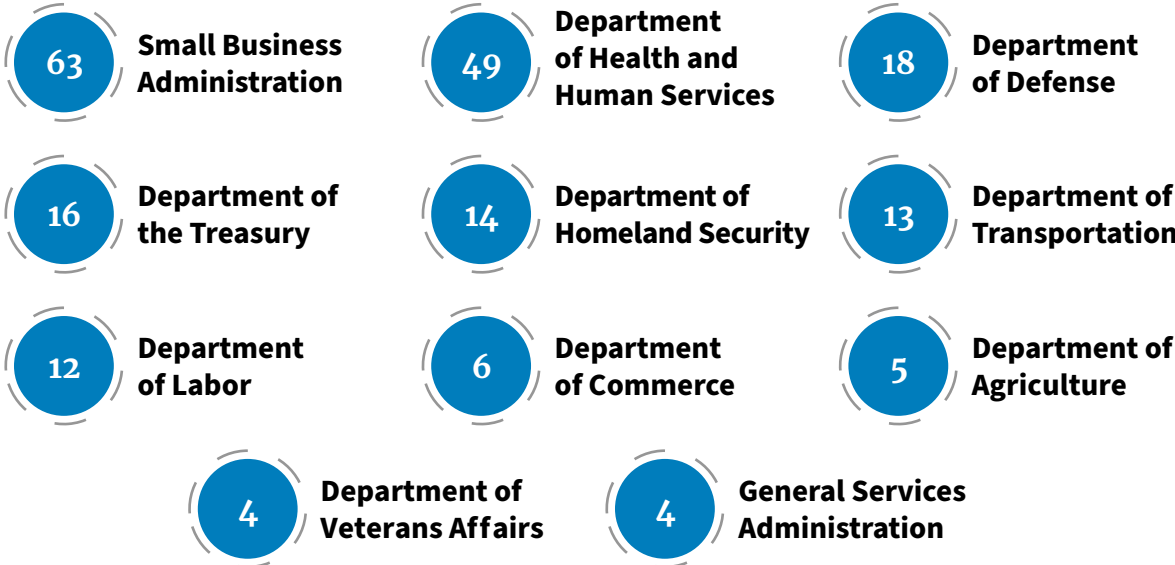
Overview of FY2019 Accomplishments



Top Comment Submissions



Top Agencies



Chapter 1:

A Trusted Regulatory Partner



A Trusted Regulatory Partner

The U.S. Small Business Administration (SBA) Office of the National Ombudsman (ONO) was established in 1996, with the mission to create a level playing field for small businesses facing unfair or excessive regulatory enforcement. Working alongside its interagency partners within the Federal government, ONO has acted for the last 23 years as an impartial liaison between small businesses and the Federal agencies tasked with regulation.

ONO's advocacy for small businesses begins with the relay and review of comments between business owners and Federal agencies to complete high-level fairness reviews. Addressing the concerns of small businesses is one of the many ways ONO actively strives to ensure entrepreneurial success. ONO works with agencies and small businesses to uncover and help resolve any excessive enforcement actions including repetitive audits and investigations, unreasonable fines, penalties, threats, retaliation, or other unfair actions.

HOW ONO ASSISTS SMALL BUSINESSES

ONO promotes fair regulatory interactions between small businesses and Federal agencies. ONO maintains a streamlined, effective, and user-friendly process for small businesses to work with Federal agencies to resolve specific regulatory compliance and enforcement issues. Small business owners can file a comment or complaint with ONO electronically or by mail.

ELECTRONIC FORM (recommended approach)

- Submit an online request for assistance at www.sba.gov/ombudsman/comment.

PAPER FORM

- Download a printable Federal Agency Comment Form (SBA Form 1993) from the Office of the National Ombudsman website at sba.gov/ombudsman/comment. Submit a signed comment form and supporting documentation via email (preferred), mail, or fax.

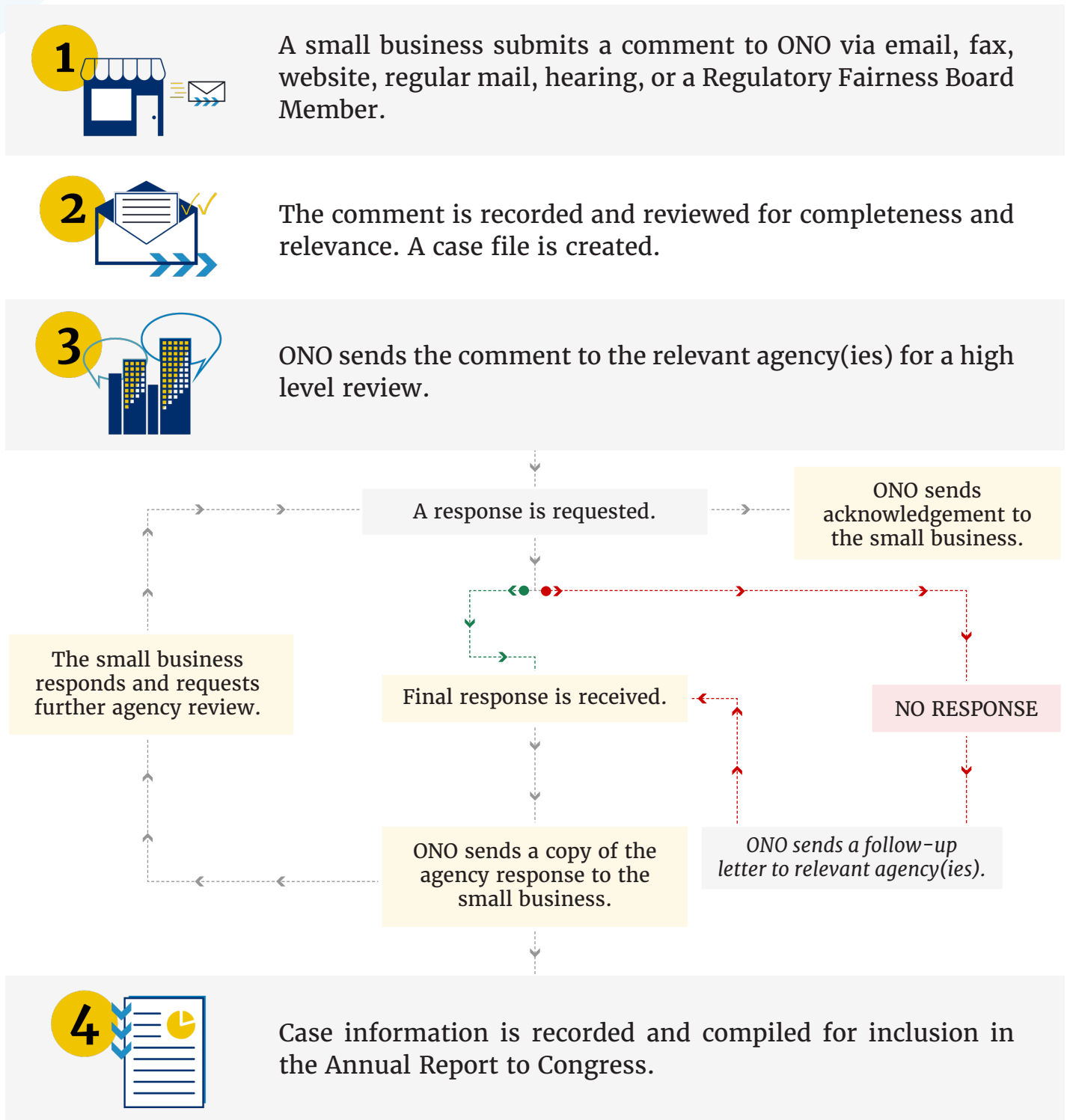
Email: ombudsman@sba.gov

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U.S. Small Business Administration
409 3rd Street, S.W., Mail Code 2120
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ONO's Comments/Complaint Filing Process:

ONO's process for receiving, reviewing, and assisting small businesses in the resolution of regulatory compliance issues with Federal agencies is straightforward and transparent. The flowchart below shows the steps ONO takes once a small business formally files a comment or complaint.



ONO's Fairness Review Process:

After receiving a Federal Agency Comment Form from a small business, ONO:

1. Reviews the Federal Agency Comment Form (SBA Form 1993), which authorizes the Ombudsman to proceed, and any supporting documentation for completeness, including signatures.
2. Determines how ONO can best assist, then advises the small business of any expected next steps and parameters of the Small Business Regulatory Enforcement Fairness Act (SBREFA) review.
3. Contacts the Federal agency involved to initiate the review process.
4. Follows up with both the agency and small business to provide a timely and thorough answer on the issue(s) reported, as appropriate.
5. Communicates to the small business owner the actions that ONO has taken to assist.

While ONO and our Regulatory Fairness Board members have assisted thousands of small businesses with regulatory compliance and enforcement challenges, we cannot:

1. Address matters in litigation or provide legal advice
2. Guarantee a positive outcome
3. Overrule, stop or delay regulatory enforcement actions taken by Federal agencies (e.g., audit or investigation)
4. Make decisions that are binding on Federal agencies
5. Handle harassment claims or internal workplace issues
6. Investigate issues

Summary of the Office of the National Ombudsman Statute 15 U.S. Code § 657—Oversight of Regulatory Enforcement:

After being established in 1996, ONO:

- Works with agencies to ensure small businesses that receive or are subject to an audit, on-site inspection, compliance assistance effort, or other enforcement-related communication or contact by an agency can provide comments on the enforcement activity
- Maintains small business confidentiality
- Reports any collective findings annually to Congress
- Provides agencies with an ability to respond to comments

Regulatory Fairness Boards are required to:

- Meet annually to advise ONO
- Report any substantiated excessive enforcement instances to ONO
- Provide ONO comments on the annual report to Congress prior to publication

Boards consist of:

- Five small business-owner members
- Qualified members serving a three-year term, with one member serving as chair for one-year terms

Office of the National Ombudsman Staff Directory

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Visit ONO Online

<https://www.sba.gov/about-sba/oversight-advocacy/office-national-ombudsman>



“Small Businesses in America are not alone when they are faced with confusing and excessive regulatory issues, the Office of the National Ombudsman is there as an advocate to help level the playing field and promote fair resolution”

David Rambhajan
Region V

Chapter 2:

Regional Regulatory Fairness Boards



ONO's Eyes and Ears on the Ground

Throughout FY2019, the Office of the National Ombudsman's (ONO) Regional Regulatory Fairness Boards directly engaged with small businesses nationwide, bringing their concerns to light and giving them a voice. ONO maintains Boards composed of private-sector representatives in each of the SBA's 10 regions to promote sustained outreach in the small business community. Board members assist ONO in effectively engaging with regulatory partners and holding public hearings and roundtables on small business concerns. Boards listen to small business concerns and work collaboratively to identify their underlying issues and systemic origins. These issues are brought to the attention of the National Ombudsman, who then raises them to Federal regulators.

Board members are geographically dispersed to increase the scope of ONO's interactions with the individuals they serve. In FY2019, ONO sent these highly vetted board members to conduct outreach events across the country, interacting with small businesses within their respective networks. Seven Regional Regulatory Fairness Roundtables conducted across four SBA regions provided a platform for productive dialogue with small businesses and trade association leaders.

These events allowed Board members to hear regulatory concerns directly from small business owners representing a wide range of industries. During these roundtables, the boards collected information and insights about region-specific Federal agency regulatory enforcement activities. Board members are charged with analyzing this information to identify and track potential

The Boards at a Glance



trends associated with systemic issues that cross regional boundaries and impact small businesses spanning multiple states and industries.

On the regional level, Board members collaborate frequently with the Office of Advocacy’s regional advocates, who interact with small business stakeholders and communicate Federal regulatory concerns to Advocacy’s Washington, D.C. staff. Former National Ombudsman and Assistant Administrator for Regulatory Enforcement Fairness Stefanie Wehagen acknowledged the importance of the Board-Advocacy relationship, saying, “our Regulatory Fairness Board members are similar to Advocacy’s regional advocates, and act as our eyes and ears on the ground throughout the country by identifying instances of unfair enforcement, excessive penalties and fines and other regulatory issues affecting small businesses.” Regional Advocates and Regulatory Fairness Boards also provide reciprocal support for the public outreach efforts of the other.

The Regional Regulatory Fairness Boards are vital to ONO’s activities and overall success, as they provide opportunities to connect with small businesses across the country, serving as direct lines of communication for small businesses that deserve to be heard.

Regional Regulatory Fairness Boards 2019 National Hearing & Annual Meeting



In August 2019, Board members traveled to SBA Headquarters in Washington, D.C., for ONO’s National Hearing and Annual Board Meeting. The meeting served as an excellent resource for the Boards, packed end-to-end with valuable information for business leaders and government representatives alike. During the meeting, ONO reviewed its key accomplishments of FY2018. ONO also discussed several recurring high-profile FY2019 regulatory issues, followed by a projection of the FY2020 regulatory landscape. Representatives from ONO and the Office of Advocacy provided training on outreach best practices, and SBA experts joined the meeting to cover topics frequently encountered during outreach events.



Congressional staff from the U.S. Senate Committee on Small Business and Entrepreneurship covered legislative and regulatory reform updates. These were followed by a panel discussion with Federal agency representatives from the Department of Labor, Department of Defense, and Department of Transportation, among others.

The following day, representatives from two SBA Program Offices and the Office of Advocacy presented on how to work effectively in the field with the SBA's District Offices. The Office of General Counsel provided a standards of conduct briefing, and attendees then worked together to identify and prioritize regulatory issues, on which they intend to focus in FY2020. The rest of the day allowed an opportunity for the Board's Working Groups (Access to Capital, Government Contracting, Outreach and Visibility, and Workforce Management/Labor) to meet and refocus for the coming year.



Chapter 3:

Voicing Small Business Concerns



Voicing Small Business Concerns

The Office of the National Ombudsman (ONO), as part of its mission to ensure regulatory fairness for small businesses, coordinates and hosts outreach events each year. In FY2019, ONO hosted a number of regulatory roundtables based on the Small Business Administration's outreach best practices. Gleaning critical concerns, regulatory issues, and business insights directly from small businesses, ONO's FY2019 outreach successfully informed its working groups in determining what areas of regulation needed ONO's attention the most. ONO and SBA's Office of Advocacy traveled across the country together listening to small business concerns.

Highlighted FY2019 Outreach Events



Burlington, VT

Business leaders had many regulatory woes in common but the largest of these was a lack of understandable OSHA regulatory guidance. The consensus here was that OSHA needed to adopt a new written standard for its rules, allowing small business owners and industry leaders alike to easily understand and disseminate the rules and ensure their compliance. Another productive discussion that came out of this roundtable was on the topic of workforce development. Proving a blight to many small businesses in the area, Federal regulations for interstate drivers are muddying otherwise clear waters. Business leaders expressed a collective need for decreased drug testing requirements and a lower age for the Class A CDL driver's license, which currently requires applicants to be over 21. Attendees of this meeting were collectively glad to know that ONO could provide not only a voice for these concerns but an open opportunity to communicate easily and effectively with a regulatory oversight agency.



North Conway, NH

This roundtable provided ONO with a critical small business perspective: hospitality. The most critical issue discussed at this outreach event was workforce development and the procurement of qualified workers in light of new H-2B visa regulation. After a significant delay in the application process this year, resort and hotel owners struggled to bridge a two-month gap in labor as they attempted to push through applications for the same employees who had just been approved the year before. The additional uncertainty around visa applications put another fiscal burden on resorts as many were forced to lay off existing workers, furthering labor shortages. Additional discussions at this

roundtable included motor coach industry issues with regulations involving drive time calculations, especially in cold areas of the U.S. where more time is needed to warm up a vehicle before accepting passengers. These business owners were grateful to learn about ONO's advocacy for regulatory relief.



Bangor, ME

In another strong showing from hospitality industry small business leaders, this meeting allowed ONO to hear another side of an issue presented in North Conway: visa cap regulations. The hospitality business leaders at this meeting expressed concern for increased budget burdens as they quickly approach the regulated fiscal cap on visas when hiring for seasonal workers during peak seasons. A representative for a premium cigar manufacturer also weighed in on a novel issue for ONO. Some Food and Drug Administration regulations would lump their unfiltered, all-natural leaf product in with cigarette manufacturing guidelines, dealing a crippling blow to production efforts. Several other business representatives voiced a need for new OSHA regulations written under a new standard and the lowered age requirement of Class A CDL drivers.



Memphis, TN

Boasting representatives from many varied industries, this roundtable provided more feedback on the issue of labor regulation. H-2B visas were included in the labor shortage topics with business leaders voicing concerns about finding skilled workers in their wage categories. Another issue ONO heard about at this meeting was related to tariff regulation relief. To apply for tariff requirement exclusion, business owners need to file numerous, complicated applications, which has hurt the manufacturing industry. Attendees collectively called for ONO to aid them in voicing requests for regulatory reform in these areas.



Jackson, MI

At this roundtable, ONO listened to concerns from pharmacists, custodial and maintenance workers, technology innovators, and a small showing of Federal and interagency partners. This discussion allowed business owners and Federal agencies to openly talk about regulatory issues with each other. Business owners voiced issues with Direct and Indirect Remuneration (DIR) fees eating into pharmaceutical profits as price adjustments are unknown at the point of sale; complications with contracting and procurement rules for subcontractor labor acquisition for Federal agency contracts; and security concerns affiliated with a

lack of robust background check requirements for in-home services to at-risk groups. Representatives from OSHA's non-enforcement wing, the SBA SCORE program, several local business outreach agencies and banks, and SBA's District Director were able to provide attendees with resources and programs to help their businesses and communities alike.



Jonesboro, AR

This regulatory reform roundtable allowed the ONO to hear about issues the agricultural industry is facing in a season of flooding. Specifically, farmers voiced concerns about the Environmental Protection Agency's Waters of the United States or WOTUS rule and how the rules in combination with flooding and tariffs have caused a strain on both large and small farming communities. A regional banker provided ONO with a suggestion to reform lending restrictions to small businesses with certain "affiliations," and local pharmacists again stressed the crippling toll of DIR fees. Labor shortages and workforce development were also discussed, showing a trend among many of the businesses across all FY2019 outreach events.

FY2019 Success Stories

Systemic Issues



Arkansas

U.S. Small Business Administration
Office of Size Standards

Issue: The SBA stopped certifying businesses and allowed them to self-certify prior to the expiration of a company's SBA certified status as a small disadvantaged business (SDB). However, an expiration date remained in the company's Dynamic Small Business Search (DSBS) profile thereby invalidating the company's ability to self-certify. The company said the situation confused prime contractors and asked that the expiration dates for SDB firms in DSBS be removed.

Outcome: The SBA is making changes to its DSBS system because of the company's comment.



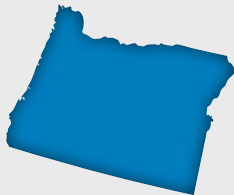
Kansas

U.S. Department of Treasury
Internal Revenue Service

Issue: Although a small business filed its taxes in a timely manner and received a receipt, it received a notice from the Internal Revenue Service (IRS) stating that it owed \$4,986.29 in unpaid taxes, interest and late-payment penalties. According to the small business, this happens every year. The small business asserted that this problem often arises because the IRS systemically generates late notices prior to the due date.

Outcome: The IRS systemically reversed the interest and late-payment penalty assessed against the company. The business received credit for a timely payment. The penalty was assessed because the company's paper return was posted prior to its Electronic Federal Tax Payment System (EFTPS) payment. Unfortunately, the IRS is unable to block a balance due notice when a return with a balance due posts before the payment.

The small business's concern focused on the antiquated IRS processing system. According to the National Taxpayer Advocate, "IT Modernization is a serious problem affecting taxpayers and the IRS. The IRS needs more funding to replace its legacy IT systems."



Oregon

U.S. Department of Treasury
Internal Revenue Service

Issue: A healthcare provider expressed concerns regarding the Internal Revenue Service's (IRS) refusal to recognize the word, "The" at the beginning of the business's name. In order to be reimbursed for services rendered, the company needed to provide Medicare with a letter from its bank and the IRS with the exact same business name. The bank uses the business name registered with the state. However, since the IRS does not recognize the word, "The" and writes letters without it, the small business expressed difficulty in getting paid.

Outcome: After a high-level review of information provided by the small business, the IRS corrected the name of the business and sent the commenter a letter to provide to Medicare with the name correction.

Contract Issues

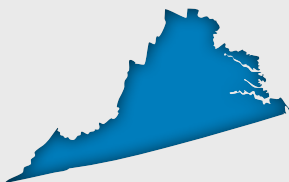


Maryland

U.S. Nuclear Regulatory Commission

Issue: After receiving a notice of a new wage determination for its contract and well within the 30-day deadline, a small business submitted a revised proposal to its contracting officer based on increased cost. The company explained that the Nuclear Regulatory Commission (NRC) has not been responsive to their revised proposal. The company further explained that it paid the additional costs but had not been able to recuperate those costs.

Outcome: The NRC modified the company's contract to equitably adjust the labor rates based on the requirements of the applicable Department of Labor Service Contract Act Wage Determination (WD) that was made a part of the contract. Based on the WD, the company can submit an invoice for the additional costs incurred. The modification allows the company to be paid the appropriate rates going forward.



Virginia

Federal Housing Finance Agency

Issue: A small business received a Cure Notice from the Federal Housing Finance Agency (FHFA). The Cure Notice indicated that unless issues were cured within 10 days of the date of the notice, FHFA may terminate the order for cause. The company stated that it had completed close to 95% of the project; however, there were still tasks to be completed. The company asked that the contracting officer lift a Stop Work Order so that it could complete some pending items which needed support from the FHFA IT Staff. The company also requested an extension of the period of performance of the contract.

Outcome: After a high-level review of the small business's concerns, FHFA lifted the Stop Work Order and extended the period of performance to allow for the completion of the work.



California

U.S. Department of Defense
U.S. Department of the Air Force

Issue: Six months after submitting its proposal to a solicitation, a company received a rejection email from the U.S. Department of the Air Force (Air Force). The Air Force did not respond to the company's request for a debriefing.

Outcome: The Air Force Research Laboratory (AFRL) agreed to provide the company an in-person debriefing. In addition, AFRL agreed to develop procedures to establish firm notice of debriefing dates and timelines to the maximum extent practicable. This effort will draw on Congressional debriefing reforms, on FAR Parts 15 and 33, and guidance from the Office of Management and Budget. AFRL will publish its revised debriefing procedures.

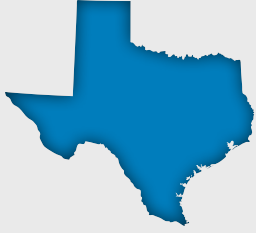


Oklahoma

U.S. Department of Defense
Defense Logistics Agency

Issue: The company expressed concerns about issues related to two contracts. The issues include the Defense Logistics Agency's (DLA) delay in inspecting the products it received, DLA's refusal to provide payment for items received, and DLA's delay in processing the company's Government Delay claim to receive compensation and relief for the nearly yearlong delay.

Outcome: The items in question passed First Article Testing. The contracting officer took actions in executing contract modifications to authorize payment for the First Articles as well as establishing delivery dates for the production quantities under the contracts.



Texas

U.S. Department of Defense
Defense Logistics Agency

Issue: The company expressed concerns regarding a HUBZone set aside contract that was awarded to a non-HUBZone company.

Outcome: DLA responded that the purchase order was subsequently cancelled because the awardee was not a qualified HUBZone firm.

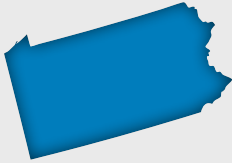


Wisconsin

U.S. Department of Defense
Defense Logistics Agency

Issue: The company expressed concerns regarding non-payment of the First Article Testing (FAT) portion of a Contract/Purchase Order/Agreement with the DLA.

Outcome: The contract was modified to facilitate a payment to reimburse the company for costs associated with the FAT.



Pennsylvania

U.S. Department of the Army
Air National Guard

Issue: A small business expressed concerns regarding non-payment of an invoice in the amount of \$17,125.00 by the Defense Finance and Accounting Service (DFAS) related to a New York Air National Guard Contract. The same invoice has been submitted 4-5 times and rejected by DFAS.

Outcome: The Army responded that the non-payment issue had been resolved. The company received a payment in the amount of \$17,125.00 and an additional amount due of \$11,975.00.



Florida

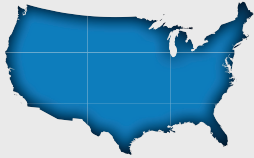
U.S. Department of Defense
U.S. Department of the Air Force

Issue: The company expressed concerns about contract issues including pending Requests for Equitable Adjustment (REA) and outstanding invoices related to a Base Operations Support contract. To meet the performance work statement (PWS) requirements, the company agreed to staff the contract with the understanding that the company would submit an REA for back payment and adjustment of the contract. The commenter submitted multiple REAs. However, the approval of REAs for four additional personnel was delayed. The commenter also alleged that the approval of related invoices in the amount of \$150,000.00 was rejected. The business owner stated that the invoicing has already been approved by the Procurement Contracting Officer and the U.S. Air Force Judge Advocate representing the U.S. Government.

Outcome: The Air Force Reserve Command (AFRC) took specific actions to resolve, mitigate, or correct negative impacts on the company, including:

- AFRC approved the company's invoices in the amount of \$402,000.00, \$212,000.00, \$3,700.00, \$1,800.00 and \$90,000.00.
- Two REAs, each worth up to approximately \$1.7 million, were pending completion of validation information.
- AFRC and its organizations were pursuing streamlining of their invoicing and payment process, including establishing a single decision point and reducing the need for REAs.

Claim Denied/Claim Processing



Multiple States

Centers for Medicare & Medicaid Services

Issue: 12 medical providers based in MI, CA, PA, SC, NC, and OH expressed concerns regarding denial, underpayment, and delay in the processing of Medicare claims by Medicare Advantage Organizations due to the following reasons:

- Differences in cost estimation
- Administrative error
- Lack of prior authorization
- Outcome and Assessment Information submission
- Change in classification and reimbursement fee

Outcome: Upon completion of a high-level review of the records and receipt of the requested information by the Medicare Advantage Organizations, the Medicare claims were reprocessed, enabling the providers to recover more than \$126,000.00 in aggregate.

Decision Reversed

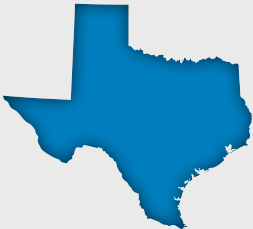


Arkansas

U.S. Small Business Administration
Office of 8(a) Business Development

Issue: A business owner explained that the hold placed on the company's 8(a) status adversely impacts the company because it could not receive additional awards or assistance. The business owner contended that the company is in compliance with the 8(a) Program and that the hold was a result of an administrative error by the company's bookkeeper who miscategorized two of the company's contracts and caused the company's 8(a) revenue to appear too high. The business owner explained how the company corrected the error and asked that the hold be removed from the company's 8(a) status so that the company could continue to receive 8(a) contracts.

Outcome: The SBA resolved the issue so the company was not under a contract prohibition.

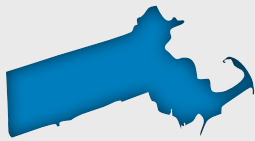


Texas

U.S. Department of Labor
Occupational Safety and Health Administration

Issue: The Occupational Safety and Health Administration (OSHA) inspected the business and issued citations. An Area Director stated that the commenter should pay \$14,023.00.

Outcome: After a high-level review, OSHA determined that an error was made regarding the specific address of the worksite inspected by OSHA, and the Area Director deleted the citations.



Massachusetts

U.S. Department of Labor
Occupational Safety and Health Administration

Issue: The commenter expressed concerns regarding alleged erroneous and damaging information that was entered into the Occupational Safety and Health Administration's (OSHA) computer database. According to the commenter, the company has been under OSHA's injury investigation related to an employee workplace injury. However, OSHA's computer database indicated that there was an open investigation into an amputation that had taken place at the company. The commenter asserted that OSHA's intentional misrepresentation of facts could result in serious consequences for the company.

Outcome: During an inspection at the company's facility, OSHA determined that the inspection was not covered by the National Emphasis Program on Amputations (NEP). Therefore, OSHA removed the code "AMPUTATE" from the OSHA Information System (OIS).



Alaska

U.S. Department of Labor
Mine Safety & Health Administration

Issue: The commenter expressed concerns regarding two separate inspections conducted by a U.S. Department of Labor (DOL) Mine Safety and Health Administration's (MSHA) inspector who issued four citations against the mine. On the first inspection, the commenter asserted that the seriousness of the infractions was overstated on both citations. He also expressed concerns regarding the enforcement officer's adversarial attitude during the inspection. On the second inspection, commenter stated that the citations misstated several facts.

Outcome: The MSHA indicated that a review of the enforcement actions and the inspection report determined that the facts provided by the inspector regarding the Imminent Danger Order did not support the issuance of the order. Therefore, the order was vacated. The review also determined that the facts provided by the inspector regarding a citation associated with the order were misstated. The citation was then modified to properly evaluate the cited condition.



North Carolina

U.S. Department of Treasury
Internal Revenue Service

Issue: The company received an Internal Revenue Service (IRS) assessment plus interest for a late filing of Form 1065. This form, which was filed timely, showed a \$0 balance. All individual partner returns (Form 1040) were filed on time.

Outcome: After a high-level review and reconsidering the company's facts and circumstances concerning reasonable cause, the IRS reversed its original decision to assert a late filing penalty and fully abated the penalty of \$1,560.00.



Illinois

U.S. Department of Treasury
Internal Revenue Service

Issue: The Illinois Department of Revenue sent the commenter a notice stating that they were going to issue a tax levy and pull his business credentials due to his debt of \$600.00. The commenter contacted them and stated that the bill was sent in error.

Outcome: After a high-level review, the Internal Revenue Service (IRS) abated the failure to file penalties.

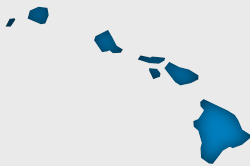


Colorado

U.S. Department of Treasury
Internal Revenue Service

Issue: The commenter expressed concerns regarding aggressive Internal Revenue Service (IRS) actions to pursue collection, including lien notices and threatened seizure of their personal residence.

Outcome: Upon receipt of the company's request for penalty abatement, the IRS abated the failure to file penalty of \$37,873.57, including interest for the tax year. In addition, the IRS accepted and expedited final processing of the Offer in Compromise (OIC).



Hawaii

U.S. Department of Treasury
Internal Revenue Service

Issue: The company did not have any revenue for the years of 2009 – 2013 and did not know that they needed to file tax returns for years in which the company had zero income. In 2014, the company was awarded a contract and filed taxes. Once taxes were filed, the Internal Revenue Service (IRS) issued notices charging the company a late filing penalty.

Outcome: After a high-level review of detailed information provided by the company, the IRS found reasonable cause for the company's untimely filing and granted relief by abating the penalties for the 2010, 2011, and 2012 tax years in the total amount of \$21,060.00. The IRS also abated the failure to file penalty for the 2009 tax year in the amount of \$3,204.00 under the First Time Abatement procedures.



South Carolina

U.S. Department of Homeland Security
Citizenship and Immigration Services

Issue: A small business owner disputed the Citizenship and Immigration Services (USCIS) decision to deny the company’s visa petition based on the net loss shown on the company’s 2017 tax return. The owner explained that the net loss shown on the company’s tax return was a common accounting business practice involving depreciation. According to the owner, the company actually achieved a net profit sufficient enough to pay the employee’s salary in a position described as “essential in the financial stability of the organization....”

Outcome: The USCIS approved the employee’s I-140 Form.

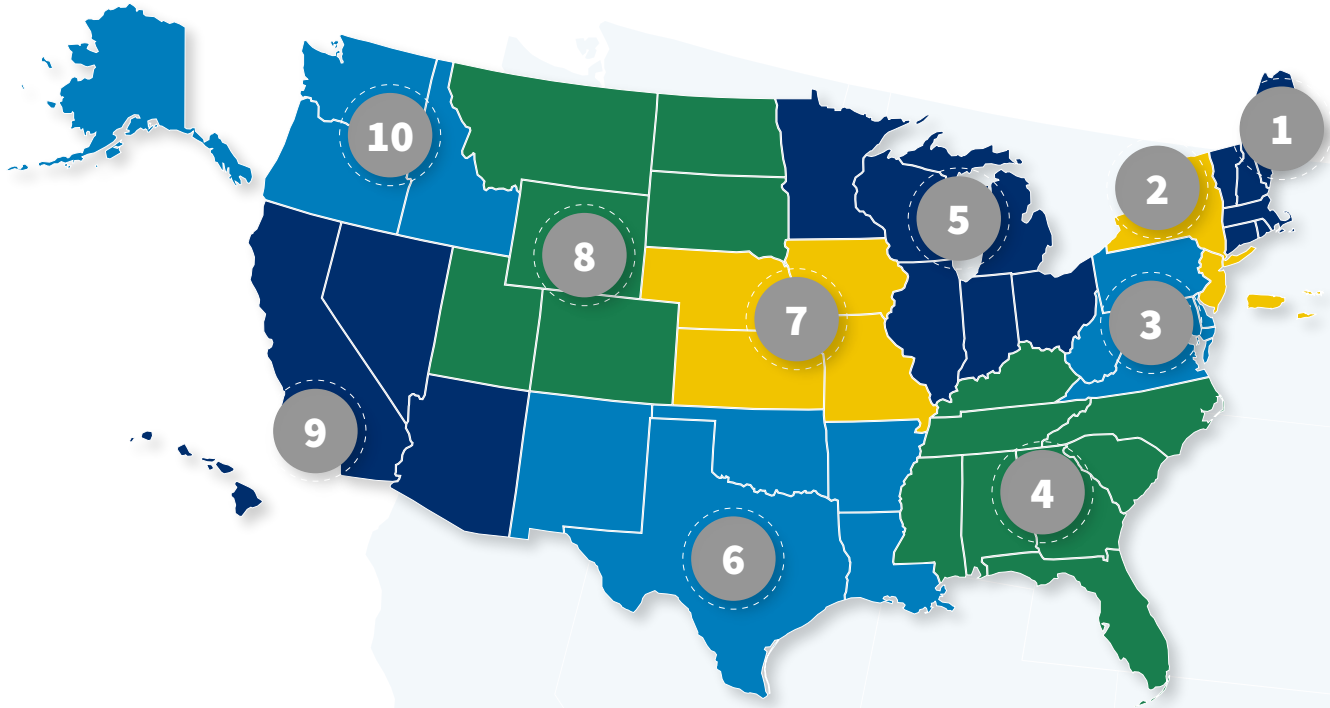
Other Success Stories

Federal Agency	State	Industry	Issue(s)	Outcome
General Services Administration (GSA)	New Jersey	IT Training Facility	System for Award Management (SAM) registration not activated although information accepted by SAM and passed onto the Defense Logistics Agency for a Commercial and Government Entity Code	GSA activated the company’s SAM account
Small Business Administration (SBA) Office of Disaster Assistance (6 cases)	North Carolina New Jersey Florida California	Various	Undisbursed funds Withdrawn Application Payment Issue Demand letter Duplicate requests for documentation Poor communication	SBA took action to address and resolve the applicant / borrowers’ concerns

Federal Agency	State	Industry	Issue(s)	Outcome
Small Business Administration (SBA) Office of Capital Access	Florida	Homeowner	Loan amount reduced after property lien recorded	SBA released the lien
Small Business Administration (SBA) Office of Capital Access	Minnesota	Grocery Store	Original SBA loans went into default after new loan was obtained	SBA recalled the original loans from the U.S. Department of Treasury and ceased collection activities pending the Agency's investigation into the payment issues
Department of Veterans Affairs (VA)	Wyoming	Home Health Agency	While awaiting payment from the VA, an Application for Medicare certification was withdrawn and a fee refund requested in order to pay employees	VA reviewed the payment claims and reprocessed a number of them
Small Business Administration (SBA) Office of Capital Access	Florida	General Contractor	Request for return of tax refund and acceptance of an offer in compromise for a loan in collection	SBA accepted an offer in compromise, returned the remaining portion of the tax return (minus the amount of the offer in compromise), and ceased all collection activity
Defense Logistics Agency (DLA)	Wisconsin	Machine Shop / Contract Manufacturer	Joint Certification Program (JCP) certification cancelled	DLA reinstated the JCP certification

Federal Agency	State	Industry	Issue(s)	Outcome
Health and Human Services Centers for Medicare & Medicaid (CMS)	Oregon	Physical Therapy and Related Services Provider	Delayed processing of Provider Revalidation Application	CMS contractor completed the application with no lapse in coverage
Defense Logistics Agency (DLA)	Texas	Manufacturing and Fabrication	Delayed JCP certification negatively affecting ability to bid on new contracts	DLA approved the JCP Application

Regional Snapshot



Region I

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

2 Cases

Dr. Deborah A. Osgood

Founder/CEO

Osgood and Associates, Inc.
Exeter, New Hampshire

Mr. Richard V. Snow

Owner

Maine Indoor Karting
Scarborough, Maine

Ms. Wendy Traub

Corp Secretary/Accountant

Hemlock Directional Boring, Inc.
Torrington, Connecticut

Region II

New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands

22 Cases

Mr. Kenneth M. Franasiak

Chairman & CEO

Calamar Enterprises, Inc.
Wheatfield, New York

Region III

Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia

52 Cases

Ms. Marilyn D. Landis

President/CEO

Basic Business Concepts, Inc.
Pittsburgh, Pennsylvania

Ms. Cindy Towers

President/CEO

JURISolutions, Inc.
Philadelphia, Pennsylvania

Mr. David M. Rambhajan

President

Industria Construction Services
Des Plaines, Illinois

Region IV

Alabama, Florida, Georgia, Kentucky,
Mississippi, North Carolina, South Carolina,
and Tennessee

64 Cases

Region VI

Arkansas, Louisiana, New Mexico, Oklahoma,
and Texas

32 Cases

Mr. Albert Edwards

Managing Director/Owner

Corporate Environmental Risk Management
Tucker, Georgia

Dr. Ralph "Trey" Baucum III

Doctor

Advanced Cardiovascular Specialists
Shreveport, Louisiana

Mr. Moisés Montañez

President

ALTA Home Remodeling CO
Miami, Florida

Mr. Dennis Bradford

Broker/Manager

Island Investment Realty, LLC
Oklahoma City, Oklahoma

Region V

Illinois, Indiana, Michigan, Minnesota, Ohio,
and Wisconsin

42 Cases

Mr. Arthur Price

Chief Financial Officer

Badger Oil Corporation
Lafayette, Louisiana

Mr. Keith Ashmus

Partner

Frantz Ward LLP
Cleveland, Ohio

Mr. Brook Schaaf

CEO/Owner

For Me To Coupon, LLC dba FMTC.co
Austin, Texas

Region VII

Iowa, Kansas, Missouri, and Nebraska

9 Cases

Region VIII

Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming

17 Cases

Alison K. Brown, PhD

President and CEO

NAVSYS Corporation
Colorado Springs, Colorado

Mr. Christopher Phelen

Founding Partner/Owner

Art & Science Collaborative, LLC
Denver, Colorado

Region IX

Arizona, California, Hawaii, Nevada, and the territories of Guam and American Samoa

37 Cases

Mr. Reginald Baker

Owner

Reg Baker CPA LLC
Honolulu, Hawaii

Ms. Kimberly Daniels

CEO/President

Mercantile Logistics & International Trade
Henderson, Nevada

Ms. Kristine Kassel

President

Benefits by Design Inc.
Tempe, Arizona

Mr. Jeffrey C. Koenig

Owner

Open 4 Business, LLC
Tucson, Arizona

Ms. Lily Otieno

President and Founder

Infinity Business Solutions
Fullerton, California

Mr. Jerome Toliver

CEO

RMJ Technologies
Fallbrook, California

Region X

Alaska, Idaho, Oregon, and Washington

15 Cases

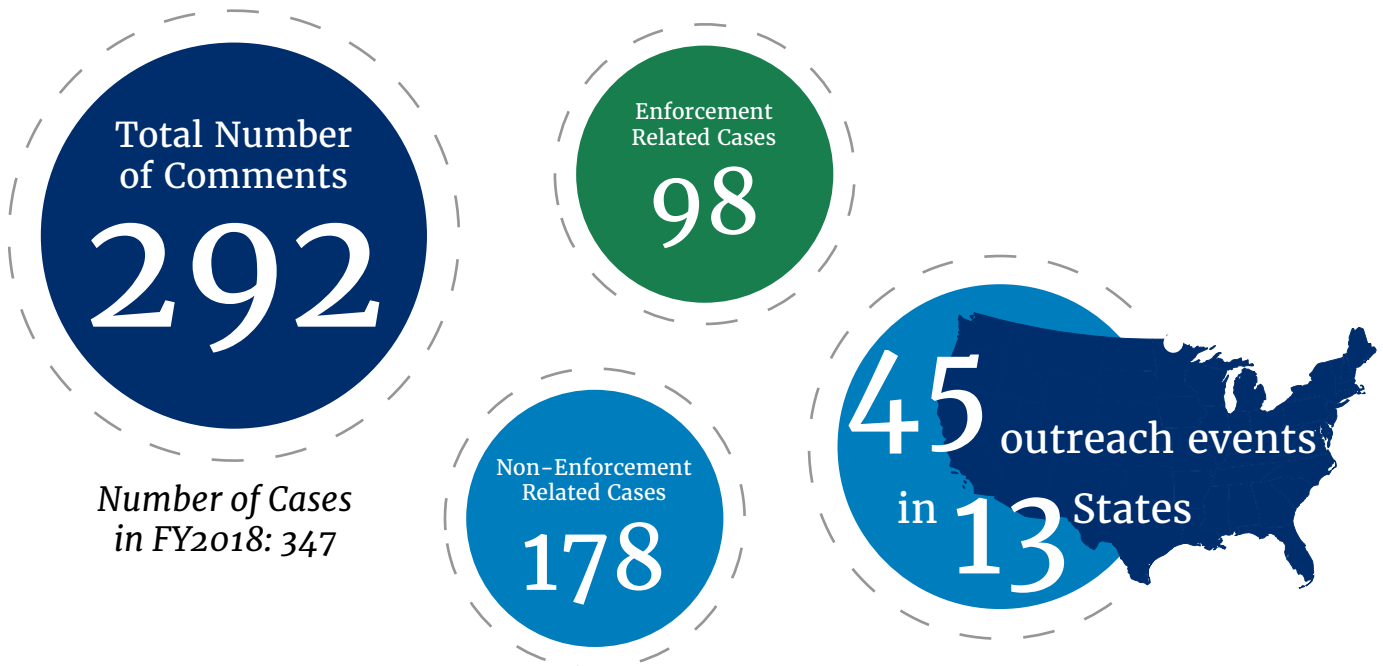
Ms. Christine V. Williams

Founder/Managing Partner

Outlook Law, LLC
Anchorage, Alaska

Ombudsman Activities

ONO received more than 292 comments in FY2019. Of these, nearly 100 were enforcement related cases and more than 150 were non-enforcement related. Continuing a trend for ONO, a majority of the comments were received via web or email and a leading submission demographic was small business concerns. Florida was among the top states facing apparent regulatory distress and the SBA’s Office of Capital Access and the Department of Health and Human Services were among the top agencies mentioned in comments.



Comments Received Via:



Who Filed the Comments?



Chapter 4:

Working with Federal Agencies on Behalf of Small Businesses



Working with Federal Agencies on Behalf of Small Businesses

As part of the effort to continuously improve the regulatory oversight of the Federal Government, the Office of the National Ombudsman (ONO) rates Federal agencies each fiscal year on their compliance with the Small Business Regulatory Enforcement Fairness Act (SBREFA).

Federal agencies have the inherent responsibility to support small businesses by fulfilling their obligations under the SBREFA, and they should be able to use this rating information to further their efforts in alleviating undue regulatory burdens on small businesses.

The SBREFA scorecard, provided on the following page, allows Congress, small business owners, and the public to easily reference agencies' improvements compared with the previous year and see what efforts are being made to ease regulatory burdens on small businesses.

In the annual scorecard, ONO assigns ratings in five different categories, as well as an overall grade for each Federal agency. Ratings are based on the following criteria:

- How timely was the agency in responding to comments from small businesses?
- How thorough were the agency's responses to comments, and did the agency take appropriate action?
- Did the agency have a written non-retaliation policy that small businesses and the agency's employees can easily access?
- Did the agency provide adequate guidance and assistance to help small businesses comply with its regulations?
- How well did the agency follow SBREFA's notice requirements?

Using multiple sources and a fair and transparent grading process, ONO evaluates each agency based on its responsiveness to small business concerns and the quality of those responses, as well as the information reported in response to the annual questionnaires asking about SBREFA-related practices. This process provides an accurate and objective grading of each Federal agency's SBREFA compliance. By issuing these Agency Ratings, ONO encourages a friendly business climate within the Federal government and delivers compliance education while providing avenues for small businesses to make their voices heard.

This report lists the FY2019 Agency Ratings on pages 49–52. The rest of this chapter will explain the ratings criteria and categories in further detail.

Agency Questionnaire Highlights

ONO sent the following questionnaire to each Federal agency it interacted with in FY2019. In addition to the grading criteria, ONO considered information such as responsiveness to small business concerns when determining the ratings for each agency’s FY2019 scorecard. ONO updated and streamlined the FY2019 questionnaire to remove unnecessary questions and eliminate redundancy.

1. Non-retaliation Policies

Does the agency have a published written policy regarding non-retaliation against small businesses that is widely available to all agency employees and to small entities?

YES _____ NO _____

If yes, please provide a copy of the policy(ies) or applicable web link(s).

2. Compliance Assistance

A. Does the agency provide regulatory compliance assistance for small businesses in the form of written compliance guidance, training and/or counseling?

YES _____ NO _____

If yes, please describe the compliance assistance available to small businesses and how it is delivered (e.g., on the agency’s website or otherwise). Please provide copies of the compliance assistance or applicable web link(s). Also, please state the name and/or contact information of the designated agency compliance contact(s).

B. Did the agency publish any rule(s) in FY2019 and therefore was required to publish, post, and distribute small entity compliance guides in FY2019?*(If NO, please skip to Question 3).

YES _____ NO _____

C. When a final rule has been issued, has the agency published one or more small entity compliance guides as mandated by Section 212 of SBREFA?*

For each rule issued in FY2019, please specify:

Name of Rule: _____

Published one or more small entity compliance guide associated with that rule?

YES _____ NO _____

Guide was published by the required timelines mandated by Section 212 of SBREFA?

YES _____ NO _____

Please attach additional sheets if there was more than one rule published.

D. Has/Will the agency submit(ted) a 2019 Annual Report on Small Entity Compliance Guide to the U.S. Senate Committee on Small Business and Entrepreneurship and the House Small Business Committee as required by Section 212 of SBREFA?*

YES _____ NO _____

3. SBREFA Notification

A. Does the agency provide public notice regarding small entities’ rights under SBREFA, including the right to file a comment with the SBA National Ombudsman?

YES _____ NO _____

If yes, please provide applicable web link(s) or a copy of the notice and indicate how the notice is disseminated.

B. If the agency issues a citation, notice of regulatory violation, charge of violation, or the like to a small business, is written notice of small entities’ SBREFA rights included in the issuance?

YES _____ NO _____

If yes, please include samples of the written notice(s) provided.

*Note: Please see pages 38-48 for the results of this question.

Grading Categories and Rating Criteria

1. Timeliness

ONO calculates response time from the day a small business comment is forwarded to the agency until a response is received by ONO. Timeliness is measured in business days, not calendar days.

A – 30 days or fewer

B – 31 to 60 days

C – 61 to 90 days

D – 91 to 120 days

F – Over 120 days

ONO may accept requests for additional time to respond and/or interim responses if circumstances warrant. In these instances, ONO takes into consideration the specific circumstances in assessing the agency's timeliness.

2. Quality of Responses

ONO provides a rating based on the detail and specificity the agency provided in its responses to small business comments. Grades are differentiated based upon the quality of the information provided in the agency response and the extent to which the response has adequately addressed the small business's concern.

The rating assigned depends on whether the agency:

- Addressed all of the applicable questions posed in ONO's letter and responded to the specific comment made by the small entity;
- Presented sufficiently detailed information demonstrating that they have investigated the facts of the specific comment and the actions taken by agency personnel involved in taking the enforcement or compliance action; and
- Provided a response from a high-level representative, such as an individual from the agency with SBREFA responsibilities or someone from the program office with oversight responsibilities related to the comment.

ONO compiles and rates the timeliness and quality of agency responses based on a review of actual case filings.

3. Agency Non-Retaliation Policy

“Non-retaliation” policies are designed to prevent acts that punish small businesses for complaining or commenting about an agency action. As a result of SBREFA, small businesses are allowed to comment on or complain about an agency’s action without fear of retaliation. ONO assigns an “A” rating to an agency if it can demonstrate that:

- The agency has a written non-retaliation policy available to all agency employees; and
- Small entities have access to a published non-retaliation policy via a readily available source such as the agency’s public website.

Examples of Non-Retaliation Policies

Examples of effective non-retaliation policies can be found on the website of many Federal agencies.

Pension Benefit Guaranty Corporation

<https://www.pbgc.gov/about/policies/pg/small-business-non-retaliation-policy>

Department of Commerce

<https://www.bis.doc.gov/index.php/component/content/article/7-enforcement/472-articles-commenting-to-the-sba-on-enforcement-and-compliance-matters>

Environmental Protection Agency

<https://www.epa.gov/enforcement/reaffirmation-epas-policy-and-practice-against-using-enforcement-retaliation>

Equal Employment Opportunity Commission

https://www.eeoc.gov/employers/smallbusiness/resources__commenting.cfm

U.S. Citizenship and Immigration Services

<https://www.uscis.gov/laws-and-policy/legislation/small-business-regulatory-enforcement-fairness-act-sbrefa>

U.S. Department of the Interior

<https://www.doi.gov/pmb/osdbu>

U.S. Department of Education

<https://www2.ed.gov/about/offices/list/ocfo/contracts/nonretaliationpolicy.doc>

The policies from these agencies assert the overall goal or commitment to ensuring non-retaliation, identify the protection provided to small business entities, identify how they will enforce the policy, and direct comments regarding regulatory enforcement actions to the SBREFA point-of-contact.

4. Regulatory Compliance Assistance

To receive an “A” rating in this category, Federal agencies must have made the following resources available to aid small entities in complying with their specific regulations:

- A compliance assistance telephone number, website, and/or point of contact available to small businesses; and
- Documented compliance assistance education.

ONO also considers the following conditional factors in determining Federal Agency Ratings:

- Published small business compliance guides and assistance as described in Section 212 of SBREFA, if required;
- The small business compliance guides and assistance were published on the date of publication of the final rule(s) (or as soon as possible after that date) and not later than the date on which the requirements of that rule(s) became effective in compliance with SBREFA; and
- An FY2019 Annual Report on Small Entity Compliance Guides submitted to the U.S. Senate Committee on Small Business and Entrepreneurship and the House Small Business Committee no later than February 1, 2020, as required by Section 212 of SBREFA.

Examples of Agency Compliance Assistance Initiatives

Examples of effective agency compliance initiatives can be found on the website of many Federal agencies.

Internal Revenue Service

The IRS continues to develop and deliver compliance assistance programs to assist taxpayers and improve compliance with the tax laws. The Small Business Taxes: Virtual Workshop, <https://www.irsvideos.gov/Business/virtualworkshop> and the 2019 IRS Tax Calendar for Businesses and Self-Employed, <https://www.tax.gov/calendar/> are valuable resources for small business and self-employed taxpayers.

U.S. Coast Guard

The U.S. Coast Guard makes a great deal of published guidance available to small businesses and the general public. Small businesses and the general public are able to easily locate relevant guidance, including Small Entity Compliance Guides, by going to our centralized Inventory of Coast Guard Guidance Documents for Public Information page on our website, <https://www.uscg.mil/guidance>.

U.S. Department of Education

The Office of Small and Disadvantaged Business Utilization provides individually-tailored assistance to all small businesses that request compliance assistance with respect to Department of Education regulations through telephone, email and in-person conversations. Small and disadvantaged businesses can contact the Department directly to receive compliance assistance at:

U.S. Department of Education, Office of Small and Disadvantaged Business Utilization,
550 12th Street, SW., Washington, DC 20202; Telephone: 202-245-6300. Fax: 202-245-6300. E-mail: small.business@ed.gov.

5. SBREFA Notice

It is essential that small businesses be informed of their ability and right to access ONO for assistance. ONO assigns a rating in this category based on whether the Federal agency has provided public notice of small businesses' SBREFA rights, including contact information for ONO. The agency must also provide written notice to small businesses about their right to comment about the enforcement/compliance process to ONO when each citation or notice of regulatory violation is issued. The assigned rating is also affected by whether the agency displays or communicates its notice generally or if it only does so when issuing a citation, charge, or notice of regulatory violation.

- An agency will receive an "A" rating if it provides specific written notice of SBREFA rights to small businesses when a citation or notice of regulatory violation is issued.
- An agency will receive a "C" rating if it does not provide specific written notice of SBREFA rights but it provides general notice to small businesses of the right to comment with the National Ombudsman's office.
- An agency will receive an "F" rating if it provides no notice regarding SBREFA rights or the ONO.

Supplemental Information

Agencies are encouraged to submit additional information that demonstrates how they have met SBREFA requirements. This may include providing specific examples illustrating how the agency has promoted regulatory enforcement and compliance fairness for small entities, including individualized compliance assistance, the amount of fines abated, and/or other forms of regulatory relief provided to the small business based on its size and/or other considerations.

Compliance Assistance Guides

The following agencies responded “yes” to Question 2C of the FY2019 Small Business Regulatory Enforcement Fairness Act Questionnaire. All have indicated that, if required, they published one or more entity compliance guides and submitted the required 2019 Annual Report on Small Entity Compliance Guides to the U.S. Senate Committee on Small Business and Entrepreneurship and the House Small Business Committee as required by Section 212 of SBREFA.

Agency	Name of Rule(s)
Consumer Financial Protection Bureau	<ul style="list-style-type: none"> <li data-bbox="574 1003 1482 1192"> • Payday, Vehicle Title, High-Cost Installment Loans: Delay of Compliance Date; Correcting Amendments (84 FR 27907) <i>The Bureau published in FY 2019 a small entity compliance guide specific to the payment-related lending requirements of the Payday, Vehicle Title, and High-Cost Installment Loans rule.</i> <li data-bbox="574 1209 1482 1314"> • Truth in Lending (Regulation Z); Screening and Training Requirements for Mortgage Loan Originators with Temporary Authority (84 FR 63791) <li data-bbox="574 1331 1482 1520"> • Technical Specifications for Submissions to the Prepaid Account Agreements Database (84 FR 7979) <i>For the following rules, the Bureau updated in FY 2019 the small entity compliance guides to reflect the enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act.</i> <li data-bbox="574 1537 1482 1642"> • Home Mortgage Disclosure (Regulation C) <i>The initial version of the small entity compliance guide was published in December 2015.</i> <li data-bbox="574 1659 1482 1764"> • Home Ownership and Equity Protection Act (HOEPA) <i>The initial version of the small entity compliance guide was published in May 2013.</i>

Agency	Name of Rule(s)
<p>Department of Commerce / National Oceanic and Atmospheric Administration</p>	<ul style="list-style-type: none"> • Fisheries of the Exclusive Economic Zone Off Alaska; Yellowfin Sole Management in the Groundfish Fisheries of the Bering Sea and Aleutian Islands (RIN 0648-BH02) https://alaskafisheries.noaa.gov/rules-notice/search • Final Atlantic Bluefin Tuna and North Atlantic Albacore Quotas (RIN 0648-BH54) https://www.fisheries.noaa.gov/bulletin/atlantic-bluefin-tuna-and-northern-albacore-quotas-and-minor-change-atlantic-tuna-size • Final Rule to Establish Quotas, Opening Dates, and Retention Limits for the 2019 Atlantic Shark Commercial Fishing Year (RIN 0648-XG263) https://www.fisheries.noaa.gov/action/2020-commercial-atlantic-shark-fishing-quotas-dates-retention-limits?utm_medium=email&utm_source=govdelivery • Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Snapper-Grouper Fishery off the Southern Atlantic Region; Regulatory Amendment 28 (RIN 0648-BI38) https://www.fisheries.noaa.gov/bulletin/new-federal-regulations-golden-tilefish-south-atlantic-region • Fisheries off the West Coast States; Pacific Coast Groundfish Fishery; 2019-20 Biennial Specifications and Management Measures (RIN 0648-BH93) https://www.fisheries.noaa.gov/webdam/download/96561813 • Fisheries of the Northeastern United States; Atlantic Mackerel, Squid, and Butterfish; Amendment 20 (RIN 0648-BH16) https://www.fisheries.noaa.gov/bulletin/tier-1-and-tier-2-longfin-squid-and-butterfish-moratorium-permit-changes https://www.fisheries.noaa.gov/bulletin/tier-3-longfin-squid-incident-catch-permit-changes • Fisheries of the Exclusive Economic Zone Off Alaska; Prohibit Directed Fishing for American Fisheries Act Program and Crab Rationalization Program Groundfish Sideboard Limits in the BSAI and GOA (RIN 0648-BH88) https://alaskafisheries.noaa.gov/rules-notice/search

Agency	Name of Rule(s)
	<ul style="list-style-type: none"> <li data-bbox="574 268 1435 485"> <p>• Atlantic Herring Fishery; Adjustment to the Atlantic Herring Specifications and Sub-Annual Catch Limits for 2019 (RIN 0648-XG608) https://www.fisheries.noaa.gov/bulletin/atlantic-herring-fishery-2019-specifications-and-river-herring-and-shad-catch-caps</p> <li data-bbox="574 506 1446 646"> <p>• Final Rule to implement Amendment 11 to the 2006 Consolidated Atlantic Highly Migratory Species Fishery Management Plan (RIN 0648-BH75) https://www.fisheries.noaa.gov/webdam/download/89441617</p> <li data-bbox="574 667 1451 842"> <p>• Fisheries of the Exclusive Economic Zone Off Alaska; Bering Sea and Aleutian Islands; Final 2019 and 2020 Harvest Specifications for Groundfish (RIN 0648-XG356) https://www.fisheries.noaa.gov/alaska/sustainable-fisheries/alaska-groundfish-harvest-specifications</p> <li data-bbox="574 863 1451 1037"> <p>• Fisheries of the Exclusive Economic Zone Off Alaska; Gulf of Alaska; Final 2019 and 2020 Harvest Specifications for Groundfish (RIN 0648-XG471) https://www.fisheries.noaa.gov/alaska/sustainable-fisheries/alaska-groundfish-harvest-specifications</p> <li data-bbox="574 1058 1468 1310"> <p>• Fisheries of the Northeastern United States; Framework Adjustment 30 to the Atlantic Sea Scallop Fishery Management Plan (RIN 0648-BI66) https://www.fisheries.noaa.gov/bulletin/atlantic-sea-scallop-fishery-limited-access-scallop-vessel-allocations-fishing-year https://www.fisheries.noaa.gov/bulletin/atlantic-sea-scallop-fishery-limited-access-general-category-scallop-vessel</p> <li data-bbox="574 1331 1451 1472"> <p>• Final Rule; Pacific Halibut Fisheries; Catch Sharing Plan (RIN 0648-BI55) https://archive.fisheries.noaa.gov/wcr/publications/fishery_management/groundfish/public_notices/nmfs-sea-19-11.pdf</p> <li data-bbox="574 1493 1468 1745"> <p>• Final Rule to Implement 2019 Pacific Whiting Harvest Specifications, establish the 2019 Interim Tribal Allocation, and Require Consideration of Chinook Salmon Bycatch before Reapportioning Tribal Whiting (RIN 0648-BI67) https://www.fisheries.noaa.gov/action/final-rule-2019-pacific-whiting-harvest-specifications-tribal-allocation-and-reapportionment</p>

Agency	Name of Rule(s)
	<ul style="list-style-type: none"> • Fisheries of the Northeastern United States; Spiny Dogfish Fishery; 2019 and Projected 2020–2021 Specifications (RIN 0648–XG800) https://www.fisheries.noaa.gov/bulletin/2019-2021-spiny-dogfish-fishery-specifications • Temporary Rule To Establish Management Measures for Red Grouper in the Gulf of Mexico (RIN 0648–BI63) https://www.fisheries.noaa.gov/bulletin/final-temporary-rule-reduce-gulf-mexico-red-grouper-catch-levels • Fisheries Off West Coast States; Coastal Pelagic Species Fisheries; Multi-Year Harvest Specifications for the Central Subpopulation of Northern Anchovy (RIN 0648–BI73) https://www.fisheries.noaa.gov/species/west-coast-coastal-pelagic-species#overview https://www.fisheries.noaa.gov/species/west-coast-coastal-pelagic-species#commercial • Fisheries off West Coast States; Pacific Coast Groundfish Fishery; Electronic Monitoring Program (RIN 0648–BF52) https://www.fisheries.noaa.gov/bulletin/electronic-monitoring-approved-pacific-coast-groundfish-trawl-rationalization-program
<p>Department of Commerce / Patent and Trademark Office</p>	<ul style="list-style-type: none"> • Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board (RIN 0651–AD16) • International Trademark Classification Changes (RIN 0651–AD32) • Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants (RIN 0651–AD30) • Changes to the Trademark Rules of Practice To Mandate Electronic Filing (RIN 0651–AD15) • Increase of the Annual Limit on Accepted Requests for Track I Prioritized Examination (RIN 0651–AD39)

Agency	Name of Rule(s)
Department of Health and Human Services / Centers for Medicare & Medicaid Services	<ul style="list-style-type: none"> • Medicare Program; End-Stage Renal Disease Prospective Payment System, Payment for Renal Dialysis Services Furnished to Individuals With Acute Kidney Injury, End-Stage Renal Disease Quality Incentive Program, Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program (CBP) and Fee Schedule Amounts, and Technical Amendments To Correct Existing Regulations Related to the CBP for Certain DMEPOS (CMS-1691-F, November 14, 2018 at 83 FR 56922-57073) • Medicare Program: Changes to Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs (CMS-1695-FC, November 21, 2018 at 83 FR 58818-59179) • Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2020 Rates; Quality Reporting Requirements for Specific Providers; Medicare and Medicaid Promoting Interoperability Programs Requirements for Eligible Hospitals and Critical Access Hospitals (CMS-1716-F, August 16, 2019 at 84 FR 42044-42701; Correction Notice CMS-1716-CN2, October 8, 2019 at 84 FR 53603-53630)
Department of Homeland Security / Citizenship and Immigration Services	<ul style="list-style-type: none"> • Registration Requirement for Petitioners Seeking to File H-1B Petitions on Behalf of Cap-Subject Aliens • EB-5 Immigrant Investor Program Modernization • Inadmissibility on Public Charge Grounds
Department of Homeland Security / Customs and Border Protection	<ul style="list-style-type: none"> • Automated In-Bond Processing Business Process Document
Department of Homeland Security / U.S. Coast Guard	<ul style="list-style-type: none"> • Name of Rule: “Seafarer’s Access to Maritime Facilities” (84 Fed. Reg. 12102, April 1, 2019)

Agency	Name of Rule(s)
<p>Department of Labor / Employee Benefit Security Administration</p>	<ul style="list-style-type: none"> <p>• Definition of “Employer” Under Section 3(5) of ERISA— Association Retirement Plans and Other Multiple-Employer Plans.</p> <p>The final rule was issued on July 31, 2019 (84 FR 37508). A copy of the rule is available at: (https://www.govinfo.gov/content/pkg/FR-2019-07-31/pdf/2019-16074.pdf).</p> <p>EBSA posted its fact sheet on association retirement plans (ARPs) on its website immediately after publishing the new rule at: (https://www.dol.gov/general/topic/association-health-plans/association-retirement-plans-fact-sheet).</p> <p>EBSA also added information on ARPs to a separate publication describing all of the retirement saving options for small businesses. This publication, which EBSA posted on January 22, 2020, also included the updated Internal Revenue Service (IRS) contribution limits for 2020, which were announced in early November. The publication can be found at: (https://www.dol.gov/sites/dolgov/files/EBSA/about-ebasa/our-activities/resource-center/publications/choosing-a-retirement-solution-for-your-small-business.pdf).</p> <p>• Health Reimbursement Arrangements and Other Account-Based Group Health Plans</p> <p>The final rule was issued on June 20, 2019 (84 FR 28888), which is available at: (https://www.govinfo.gov/content/pkg/FR-2019-06-20/pdf/2019-12571.pdf).</p> <p>The Department published FAQs on New Health Coverage Options for Employers and Employees on the DOL website at: (https://www.dol.gov/sites/dolgov/files/ebasa/about-ebasa/our-activities/resource-center/faqs/health-reimbursement-arrangements.pdf).</p> <p>The Department also issued a model notice form available at: (https://www.dol.gov/sites/dolgov/files/ebasa/laws-and-regulations/rules-and-regulations/completed-rulemaking/1210-AB87/individual-coverage-model-notice.docx), and a model attestation form at: (https://www.dol.gov/sites/dolgov/files/ebasa/laws-and-regulations/rules-and-regulations/completed-rulemaking/1210-AB87/individual-coverage-model-attestation.docx).</p>

Agency	Name of Rule(s)
<p>Department of Labor / Occupational Safety and Health Administration</p>	<ul style="list-style-type: none"> OSHA issued a rule updating the operator qualification requirements in the Cranes and Derricks in Construction standard. <p>OSHA is working diligently to update the small entity compliance guide for cranes and derricks in construction to reflect the updates in the November 9, 2018 rule and publish the revised guide by summer 2020. OSHA updated and published the small entity compliance guide for the cranes and derricks in construction standard in 2014, shortly after issuing a rule extending the deadline for crane operator certification on September 26, 2014. The guide is on OSHA's website at the following address: (https://www.osha.gov/Publications/OSHA3433.pdf).</p> <p>OSHA has published FAQs to help small businesses understand the requirements of the 2018 rule. The FAQs can be found at the following address: (https://www.osha.gov/cranes-derricks-construction) and (https://www.osha.gov/sites/default/files/Op_Cert_Final_Rule_FAQs_11-8-18.pdf).</p> <p>Compliance guide status updates have been shared with the public through speeches by OSHA's Director of Construction at national conferences for the construction industry trades and with the National Commission for the Certification of Crane Operators, one of the largest stakeholder groups representing crane operators in the nation. In addition, over the past 10 years, this guide has been on the agency's website for public access.</p>

Agency	Name of Rule(s)
<p>Department of Labor / Wage and Hour Division</p>	<ul style="list-style-type: none"> Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees <p>WHD updated and revised the regulations under the Federal Fair Labor Standards Act implementing the Part 541 exemptions from minimum wage and overtime pay requirements for executive, administrative, professional, outside sales, and computer employees.</p> <p>The final rule was published in the Federal Register (FR) at: https://www.federalregister.gov/documents/2019/09/27/2019-20353/defining-and-delimiting-the-exemptions-for-executive-administrative-professional-outside-sales-and-computer-employees</p> <p>The WHD published a Small Entity Compliance Guide (Compliance Guide) entitled: <i>Small Entity Compliance Guide to the Federal Fair Labor Standards Act's Exemptions</i> at: (https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/overtime_complianceguide.pdf), in association with this final rule. The Compliance Guide was published on WHD's website on September 24, 2019, three days before the publication of the final rule in the FR on September 27, 2019. The final rule became effective on January 1, 2020.</p>
<p>Department of Transportation / Pipeline and Hazardous Materials Safety Administration</p>	<ul style="list-style-type: none"> Hazardous Materials: Oil Spill Response Plans and Information Sharing for High-Hazard Flammable Trains (FAST Act) - rulemaking 2137-AF08* <p>*Agency Note: The Pipeline and Hazardous Materials Safety Administration acknowledges the need to publish a Small Business Guide for one rulemaking in FY 2019. PHMSA has not yet done so but plans to publish a Compliance Guide to explain the regulations to small businesses.</p>
<p>Environmental Protection Agency</p>	<ul style="list-style-type: none"> Methylene Chloride; Regulation of Paint and Coating Removal for Consumer Use Under TSCA Section 6(a)

Agency	Name of Rule(s)
Federal Communications Commission	<ul style="list-style-type: none"> • “Transforming the 2.5 GHz Band” https://docs.fcc.gov/public/attachments/DA-20-510A1.pdf • “Reexamination of the Comparative Standards and Procedures for Licensing Noncommercial Educational Broadcast Stations and Low Power FM Stations” https://docs.fcc.gov/public/attachments/DA-20-509A1.pdf • “Incentive Auction of Upper Microwave Flexible Use Service Licenses” https://docs.fcc.gov/public/attachments/DA-20-508A1.pdf • “Wireless E911 Location Accuracy Requirements” https://docs.fcc.gov/public/attachments/DA-20-458A1.pdf • “Implementing Kari’s Law and Section 506 of RAY BAUM’S Act” https://docs.fcc.gov/public/attachments/DA-20-431A1.pdf • “Electronic Delivery of Notices to Broadcast Television Stations; Modernization of Media Regulation Initiative” https://docs.fcc.gov/public/attachments/DA-20-311A1.pdf • “Updating the Intercarrier Compensation Regime to Eliminate Access Arbitrage” https://docs.fcc.gov/public/attachments/DA-20-284A1.pdf • “Implementing Section 503 of RAY BAUM’S Act Rules and Regulation Implementing the Truth in Caller ID Act of 2009” https://docs.fcc.gov/public/attachments/DA-20-98A1.pdf • “Auction of Toll Free Numbers in the 833 Code” https://docs.fcc.gov/public/attachments/DA-19-1230A1.pdf • “Leased Commercial Access; Modernization of Media Regulation Initiative” https://docs.fcc.gov/public/attachments/DA-19-1180A1.pdf • “Children’s Television Programming Rules” https://docs.fcc.gov/public/attachments/DA-19-926A1.pdf • “Amendment of Section 73.3613 of the Commission’s Rules Regarding Filing of Contracts” https://docs.fcc.gov/public/attachments/DA-19-451A1.pdf • “Posting of Station Licenses and Related Information” https://docs.fcc.gov/public/attachments/DA-19-450A1.pdf

Agency	Name of Rule(s)
<p>Federal Energy Regulatory Commission</p>	<ul style="list-style-type: none"> • Implementation of Amended Section 203(a)(1)(B) of the Federal Power Act (RM19-4-000) • Interlocking Officers and Directors; Requirements for Applicants and Holders (RM18-15-000) • Hydroelectric Licensing Regulations Under the America’s Water Infrastructure Act of 2018 (RM19-6-000) • Order No. 859 re: Revisions to the Filing Process for Commission forms (RM19-12-000) • Order No. 860 re: Data Collection for Analytics and Surveillance and Market-Based Rates purposes (RM16-17-000) • Order No. 861 re: Refinements to Horizontal Market Power Analysis for Sellers in Certain Regional Transmission Organizations and Independent System Operator Markets (RM19-2-000) • Order No. 852 re: Elimination of Form 80 and Revision of Regulations on Recreational Opportunities and Development at Licensed Hydropower Projects (RM18-14-000) • Order No. 587-Y: Standards for Business Practices of Interstate Natural Gas Pipelines (RM96-104) • Order No. 851 re: Geomagnetic Disturbance Reliability Standard for Transmission System Planned Performance for Geomagnetic Disturbance Events (RM18-8-00 and RM15-11-003) • Order No. 850 re: Supply Chain Risk Management Reliability Standards (RM17-13-000) • Order No. 862 re: Formal Requirements for Filing in Proceeding before the Commission (RM19-18-000) • Annual Update of Commission Filing fees (RM19-14-000) • Order No. 857 re: Revisions and Technical Corrections to Conform the Commission’s Regulations to the America’s Water Infrastructure Act of 2018. (RM19-13-000) • Implementation of Amended Section 203(a)(1)(B) of the Federal Power Act (RM19-14-000) • Computation of Time During Emergencies (RM19-8-000) • Civil Monetary Penalty Inflation Adjustments (RM19-9-000)

Agency	Name of Rule(s)
Food and Drug Administration	<ul style="list-style-type: none"> • List of Bulk Drug Substances that Can be Used to Compound Drug Products in Accordance with Section 503A of the Federal Food, Drug, and Cosmetic Act • Medical Devices; Orthopedic Devices: Classification of Posterior Cervical Screw System • Safety and Effectiveness of Consumer Antiseptic Rubs; Topical Antimicrobial Drug Products for Over-the-Counter Human Use
Nuclear Regulatory Commission	<ul style="list-style-type: none"> • Revision of fee schedules: Fee Recovery for FY2019
Securities and Exchange Commission	<ul style="list-style-type: none"> • FAST Act Modernization and Simplification of Regulations S-K • Regulation Best Interest: The Broker-Dealer Standard of Conduct • Form CRS Relationship Summary; Amendments to Form ADV • Auditor Independence with Respect to Certain Loans or Debtor-Creditor Relationships • Exchange Traded Funds
U.S. Department of Justice	<ul style="list-style-type: none"> • Bump-stock-type Devices

FY2019 Agency Ratings

Cabinet Agencies	Overall	Comments [^]		SBREFA Compliance		
		response timeliness	response quality	non-retaliation policies	compliance assistance	SBREFA notification
Agriculture						
Animal and Plant Health Inspection Service	A	C	A	A	A	A
Food and Nutrition Service	A	B	A	A	A	A
Commerce						
National Oceanic & Atmospheric Administration	A	A	A	A	A	A
Bureau of Industry and Security	A	A	A	A	A	A
Defense						
Department of the Army	A	N/C	N/C	A	A	A
Education	A	N/C	N/C	A	A	A
Energy		N/C	N/C	X	X	X
Health and Human Services						
Food & Drug Administration	A	A	A	A	A	A
Centers for Medicare & Medicaid Services	A	A	A	A	A	C
Homeland Security						
Coast Guard	A	N/C	N/C	A	A	A
Customs & Border Protection	A	N/C	N/C	A	A	A
Immigration & Customs Enforcement	A	N/C	N/C	A	A	A

Cabinet Agencies	Overall	Comments [^]		SBREFA Compliance		
		response timeliness	response quality	non- retaliation policies	compliance assistance	SBREFA notification
Citizenship and Immigration Services	A	N/C	N/C	A	A	A
Housing & Urban Development	A	N/C	N/C	A	A	A
Interior	B	N/C	N/C	A	A	C
Justice	A	N/C	N/C	A	A	A
Labor						
Occupational Safety & Health Administration	A	A	A	A	A	A
Wage & Hour Division	A	A	A	A	A	A
Mine Safety & Health Administration	A	A	A	A	A	A
Employee Benefits Security Administration	A	N/C	N/C	A	A	A
Small Business Administration						
Office of Capital Access	B	N/C	N/C	A	A	C
State	A	A	A	A	A	A
Transportation						
Federal Aviation Administration	A	A	C	A	A	A
Federal Motor Carrier Safety Administration	A	A	A	A	A	A
Federal Railroad Administration	A	A	A	A	A	A
Treasury						
Internal Revenue Service	A	B	A*	A	A	A
Veterans Affairs	A	B	A	A	A	A

Non-Cabinet Level Agencies	Overall	Comments [^]		SBREFA Compliance		
		response timeliness	response quality	non-retaliation policies	compliance assistance	SBREFA notification
Consumer Financial Protection Bureau	C	A	A	F	A	F
Consumer Product Safety Commission	A	A	A	A	A	C
Environmental Protection Agency	A	A	A	A	A	A
Equal Employment Opportunity Commission	A	A	A	A	A	A
Federal Communications Commission	A	N/C	N/C	A	A	A
Federal Deposit Insurance Corporation	A	N/C	N/C	A	A	N/A
Federal Energy Regulatory Commission	A	N/C	N/C	A	A	A
Federal Reserve Board	A	N/C	N/C	A	A	N/A
Federal Trade Commission	A	N/C	N/C	A	A	A
General Services Administration	A	N/C	N/C	A	A	N/A
National Aeronautics and Space Administration	A	N/C	N/C	A	A	A
National Credit Union Administration	A	N/C	N/C	A	A	N/A
National Labor Relations Board	A	N/C	N/C	A	N/A	A

Non-Cabinet Level Agencies	Overall	Comments [^]		SBREFA Compliance		
		response timeliness	response quality	non-retaliation policies	compliance assistance	SBREFA notification
Nuclear Regulatory Commission	D	N/C	N/C	F	A	F
National Science Foundation	A	N/C	N/C	A	A	A
Pension Benefit Guaranty Corporation	A	N/C	N/C	A	A	A
Securities and Exchange Commission	A	N/C	N/C	A	A	A

Agency Ratings Footnotes and Comments

Note: A Cabinet Department’s subordinate organizational unit is listed separately if it received at least one enforcement action-related comment during the fiscal year.

^: Comment timeliness and quality ratings are based on agency responses provided to ONO as of 2/1/20 (if any), which is 120 days following the close of FY2019 (120 days is the maximum time allowed for a response to receive a timeliness grade other than “F”).

N/A: Not applicable. The agency asserts that it is not subject to this aspect of SBREFA due to the nature of its charter.

N/C: No comments relating to an agency enforcement action were filed with ONO; consequently, there is no basis for scoring the timeliness or quality of responses provided to such comments.

***:** Response quality rating is based on responses to FY2015, FY2016, FY2017 and FY2018 cases received in FY2019.



“As a small business owner for over 25 years, I know how hard it is when you’re faced with compliance issues and have nowhere to turn. It’s good to know the Office of the National Ombudsman is an advocate that you can count on to offer support.”

David Rambhajan
Region V

Chapter 5:

Building Support for Entrepreneurs



Building Support for Entrepreneurs

FY2019 saw significant steps in reducing regulatory burdens for small businesses and providing specific and direct support through outreach. The Office of the National Ombudsman (ONO) helped reduce regulatory burdens by continuing to remedy issues between small businesses and the regulating bodies of the Federal government to reduce unnecessary burdens on all parties and provided more frequent and more direct outreach events directly related to small businesses.

In FY2020, ONO will build on these successes by helping strengthen ONO's ability to serve small businesses by creating business-friendly regulatory environments and building a pipeline to fill current and projected vacancies in regional fairness boards to reach small businesses within their networks.

Conducting Outreach to Ensure Regulatory Fairness

In FY2019, the SBA helped reduce regulatory burdens on small businesses and removed roadblocks that threatened their survival and ability to thrive. ONO brought attention to the adverse impact of regulatory enforcement actions on small businesses, and, as a result, Federal agencies have become more conscious of the need to balance regulations that protect the health and safety of American workers and consumers with the importance of creating a regulatory environment where small businesses may grow and prosper.

In FY2020, ONO will continue to raise awareness of such impacts resulting from regulatory actions. ONO has the goal of conducting 50 outreach events through partnerships with Federal agencies, trade associations, and resource partners to reduce regulatory burdens on small businesses. By engaging small businesses through outreach events, ONO will maintain a confidential, user-friendly ombudsman process to receive complaints from small businesses and advocate on behalf of small businesses to Federal agencies to create a level playing field. ONO will also recommend policy and advocate for small businesses through research and engagement.

ONO will target outreach activities to entrepreneurs in greatest need of assistance, with a focus on regions that have not recently been visited by ONO. The Agency will also leverage technology to expand its influence to otherwise out-of-reach small business communities and to cultivate relationships with trade association leaders and SBA resource partners.

Bolstering Regional Fairness Boards

The Regional Regulatory Fairness Boards serve as a key tool in ONO's outreach efforts. The Boards' members are trusted and well-respected members of their small business communities and can directly raise regulatory concerns of entrepreneurs to ONO. In FY2019, Board members joined the National Ombudsman to facilitate dialogue with small businesses and trade association leaders at regional roundtables. The Agency's board members also traveled to Washington, D.C., for ONO's National Hearing and Annual Board Meeting.

The SBA will continue to bolster the strength of the Regional Regulatory Fairness Boards by building a pipeline of candidates to fill current and projected Board member vacancies. To fill the remaining vacancies, the SBA will continue to canvas for high-caliber candidates from the widest possible number of sources. The Agency will examine the nominee vetting process, identify ways to streamline and expedite the process to fill the vacancies, and accelerate the onboarding of selectees. The SBA will continue to leverage its Regional Regulatory Fairness Board members to expand to a greater number of small businesses.

Building Relationships with Federal Agencies

ONO will continue to voice the regulatory enforcement concerns of small business owners. By increasing the visibility of systemic regulatory issues that adversely impact small business and addressing such issues early, ONO will allow for more timely responses and an increased likelihood that a resolution can be reached before any costly litigation derails any entrepreneurial efforts.

ONO will continue to evaluate whether agencies are complying with the Small Business Regulatory Enforcement Fairness Act's (SBREFA's) Congressional reporting requirements, found on pages 49-52. ONO will also further emphasize the need for Federal agencies to provide compliance assistance to small businesses via the provision of designated agency points of contact and compliance education materials in an informative, accessible, and user-friendly format.

The SBA will underscore the need for Federal agencies to provide compliance assistance to small businesses and for the compliance education materials to be informative, accessible, and user-friendly.

Additionally, the Agency will rely on its Regional Regulatory Fairness Board members to reach small businesses within their respective networks so that ONO can remedy issues between small businesses and Federal agencies at the preliminary stages of conflict. ONO will continue bringing small businesses' regulatory enforcement concerns to the attention of Federal agencies. ONO will inform these agencies of systemic issues that adversely impact small businesses with the goal of reducing the likelihood of costly litigation and settlements.



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