Legislative Update
TRIAD

Linda Hillmer
CorpComm Inc.
on Behalf of NDIA
May 27 2010
lhillmer@corpcomm-inc.com
SB Legislation Video

• To see the Small Business Legislation Video that was shown at TRIAD, please visit:

Agenda

• About the 111th Congress
• Small Business Committees
• Summary: SB Bill Status
• SBIR/STTR Mark Up
• Of Note
• Presidential Memorandum
• Executive Order
• Final Note
About the 111th Congress

- **Next Election:** November 2010

- **Membership**
  - House of Representatives: 435 Members
  - Senate: 100 Members

- **Leadership:**
  - Speaker of the House - Nancy Pelosi (D-CA)
  - House Majority Leader - Steny Hoyer (D-MD)
  - House Minority Leader - John Boehner (R-OH)
  - President of the Senate - Joseph Biden (D-DL)
  - President pro tempore of the Senate - Robert C. Byrd (D-WV)
  - Senate Majority Leader - Harry Reid (D-NV)
  - Senate Minority Leader - Mitch McConnell (R-KY)

- **Session:** January 3, 2009 – January 3, 2011
About the 111th Congress

- **120 members have served in the military**
  - House: 95
  - Senate: 25

- **Veterans**
  - World War II
  - Korean War
  - Vietnam War
  - Kosovo
  - Persian Gulf War
  - Afghanistan
  - Iraq

- Reserves and National Guard Members (several Members are still serving as Reservists)
- Former Secretary of the Navy
- 3 Representatives and 1 Senator – graduates of United States Military Academy
- 2 Senators and 1 Representative – graduates of United States Naval Academy
- Astronaut, Naval Aviator, Commander of a Carrier Battle Group, Vice Admiral, Instructor at West Point, Pilot of Marine One
Small Business Committees

Senate Committee on Small Business and Entrepreneurship
  – Chair: Senator Mary Landrieu (D-Louisiana)
  – Ranking Member: Senator Olympia Snowe (R-Maine)
...And 17 other members

• 29 Bills to Date
  Introduced/Considered
House Committee on Small Business

- Chair: Representative Nydia Velazquez (D-New York)
- Ranking Member: Representative Samuel Graves (R-Missouri)
...And 27 other members

• 77 Bills to Date Introduced/Considered
• 16 Bills Voted in One Chamber or Failed to Pass
Summary: SB Bill Status

• **106 Introduced/Considered by Small Business Committees**

• **5 Passed into Law**
  - H.R. 1541: Temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958
  - H.R. 4508: Temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958
  - H.R. 4938: To permit the use of previously appropriated funds to extend the Small Business Loan Guarantee Program

• **2 in Mark Up (SBIR/STTR)**
  - S. 1233: SBIR/STTR Reauthorization Act of 2009
SBIR/STTR Mark Up

Major Differences Between Senate and House Versions

• Senate Re-Authorizes to 2017
• House Re-Authorizes to 2011
• Increase in Agency Participation
  – Senate: Increases agency allocations by 0.1% per year until 2020
  – House: No increases
• Venture Capital Participation
  – Senate: Permits VC participation as long as a single VC company owns no more than 49%
    • Allows Majority Ownership participation (up to 8% of SBIR funds) by Multiple VC Companies
  – House Permits VC participation as long as no single VC company owns more than 49%
    • No Multiple VC Ownership allowed
Of Note: 3% Withholding

• Current Law
  – Mandates federal, state and local governments withhold 3% of Contract Payments
  – Begins Jan 1, 2012
  – Significant Impact on Small Businesses
  – $17 Billion – DoD Estimated Cost to Implement over five years

• H.R. 275 Repeal of Withholding Tax
  – Introduced 1/7/2009, 150 co-sponsors
  – Referred to House Ways & Means Committee

• H.R. 1 American Recovery & Reinvestment Act of 2009 (House Passed Version)
  – Included Repeal of Withholding
  – Changed in Conference to delay implementation date until January 2012
S. 2989: Up for Senate Vote

- **Contract Bundling**
  - Accountability Measures
  - Teaming requirements (soliciting bids by small business)
  - Reduction of bundling (public website notification)

- **Subcontracting Integrity**
  - Primes certify use of small businesses as presented in proposal

- **Acquisition Process**
  - Reservation of prime contract awards for small businesses
  - Agency accountability
  - Payment of subcontractors

- **Small Business Size and Status Integrity**
  - Annual certification
  - Training for contracting and enforcement personnel
  - Updated size standards
  - Study and report on the mentor-protégé program
Presidential Memorandum

- SB Task Force
- Established 4/20/2010
- Interagency Task Force on Federal Contracting Opportunities for SBs
- Coordinate executive departments’ and agencies’ efforts towards ensuring all SBs have fair chance to participate in Federal Contracting
  - 16 Agencies
  - Led by Secretary of Commerce
  - Report due to President August 20, 2010
Executive Order

• Established 4/26/2010
• Interagency Task Force on Veteran-Owned Small Business Development
  – Coordinate effort of Federal agencies to improve capital, business development opportunities, and pre-established Federal contracting goals for small business concerns owned and controlled by veterans and service-disabled veterans
  – 7 Agencies
  – Led by SBA Administrator + 4 members from Veterans service or military organizations selected by SBA
  – Report due to President one year after first meeting and annually thereafter
Final Note: Insourcing

• Congress mandated single government-wide criteria for inherently governmental functions

• May 2009: DoD guidance on Insourcing
  – Requires review of all contracted services for possible insourcing
  – Provides insourcing guidance, requires cost analysis

• March 2010: OMB Proposed Policy Letter
  – Definition of Inherently Governmental Function (IGF)
  – Establishes criteria to identify critical functions (CF)
  – Guidance on Internal Management of IGF & CF
  – Comments due by June 1, 2010

Small Business Losing Employees and Contracts