

It is contemplated that the work being done will provide a better foundation for the definitions of small business to guide future actions designed to assure the channeling of Federal programs where they will do the most good for the small businessman and the national economy.

SECTION XI—SMALL BUSINESS "ADVOCACY" PROGRAM

Section 8(c) of the Small Business Act requires that SBA make studies of matters materially affecting the strength of small business and of the effect of Federal laws, programs and regulations on small business. Section 10(f) permits the Administrator to consult with other Federal agencies in the formulation of policies affecting small business interests. The Administrator can make recommendation to other Federal agencies "for the adjustment of such programs and regulations to the needs of small business" and may request other agencies to consult and cooperate with SBA in order to recognize, protect and preserve small business interests.

The basic mission of the Small Business "Advocacy" program is to comply with these Congressional mandates. Existing and proposed programs and regulations of other Government departments and agencies are studied to identify those which would tend to put a segment of the small business community at a competitive disadvantage compared to large business and to advocate changes or modifications in such programs or regulations. We believe this program to be extremely important to protect the interests of small business. For this reason, it is under the direct supervision of the Deputy Administrator with staff support from the Office of General Counsel and other operating divisions of the Agency.

Recent Examples of Advocacy Matters.—During the past six months, SBA has intervened on a formal basis, in two proceedings before the Federal Maritime Commission and the Civil Aeronautics Board:

1. The FMC conducted an investigation in the form of a public hearing on the disparity of inbound and outbound freight rates between the United States and the United Kingdom. SBA participated in the hearing and filed a brief pointing out that the disparity in freight rates between inbound and outbound traffic, as well as the disparate rate structure in outbound traffic alone, has seriously disadvantaged small business.

On January 31, 1968, an initial decision was issued by the Examiner of the Federal Maritime Commission which sustained the SBA position suggesting both voluntary reforms and guidelines to assist in establishing carrier rates.

2. The CAB instituted a proceeding to determine whether helicopter service between Washington, Baltimore and the three area airports, on a non-subsidy basis was warranted in public interest, and if so, which of the applicants should be certificated. SBA participated in the hearing and has filed a brief setting forth the advantages accruing to small business from such a service and arguing that certification should go to an applicant that is a small business as defined by SBA regulations.

On an informal basis, during the past year under this program, SBA has been in contact with nine executive departments and eight agencies of the executive branch concerning the problems of some segment of the small business community. For example, the National Ice Cream Mix Association, Inc. complaint of unfair standards promulgated by the Department of Agriculture resulted in SBA conferring with the Department of Agriculture to attain an easing of the standards.

Interagency problems can involve any facet of the Government's operations. The program is an important part of SBA's function. It can and should serve as the small businessman's voice in Government channels.

SECTION XII—CRIME STUDY

The Small Business Protection Act of 1967, signed by the President on October 11, 1967, calls upon SBA to conduct a study of the impact of crime on small business concerns to determine ways in which such concerns may best protect themselves. Good progress has been made in conducting the study:

A comprehensive review has been made of the published literature.

In-depth discussions have been held with authorities in the field—International Association of Police Chiefs, Insurance Associations, Manufacturers of protective devices, Industry Associations, and operators of private alarm and detection systems and services.

The foregoing has provided us with a basis for developing a detailed study design which includes: