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MEMORANDUM

TO: Eve
FROM: Joe, Jessica and David
DATE: September 11, 1979
RE: Small Business Bills
cc: Kevin, Mary, Linda, Tom, Eve, Jim, Bob, Ann M., Leg(2), Ind. Dept.

Senator Nelson will soon be introducing a Small Business Innovation Act which contains the recommendations of the small business community who are concerned about the inability of small companies to full participate in government research and development programs.

Two of the recommendations are that the Senator's bills, S. 414, the University and Small Business Patent Procedures Act, and S. 1679, the Patent Law Amendments Act be included in the omnibus legislation. Senator Culver's regulatory flexibility bill and a Nelson redraft of Senator Kennedy's bill specifying that each agency must award a certain percentage of its research and development contracts to small businesses will also be in the package. The Nelson bill has been widely circulated and has a great deal of interest and support.

This package, along with the Antitrust Equal Enforcement Amendment of 1979 (the Contribution bill) is an important group of bills aimed at small business.

The Justice Department has also sent us a bill called the Small Business Judicial Access Act which contains a huge class action revision among other things. There are parts of the bill, however, which have nothing to do with class actions, and which we are currently reviewing to see if we can create a separate bill which is purely a small business bill. (I spoke to Bill H. at Justice and he said if you think the business groups hated Illinois Brick--just wait until they see the class action provisions in this). Apparently, the small business groups support this bill but the Chamber, the NAM and the Business Roundtable are very much against it.

On regulatory reform: the situation looks sort of cloudy--especially since the Bumpers victory (see memo of 9/7/79). There is talk that Culver, Kennedy and Ribicoff might not let these bills go to the floor for fear that if the comprehensive package doesn't go to the floor, there will be a flurry of really terrible bills over which no one has any control. The Culver, Kennedy and Ribicoff people are meeting today to decide what to do.

As you may know, Culver has introduced a bill called the "Regulatory Flexibility Act" on which he has had hearings, and of which he is the prime sponsor. This bill is designed to streamline certain regulatory procedures for small businesses.

At any rate, David and I are looking over the various regulatory reform bills to see what amendments we can tack onto the bill.

We are looking into doing possible regulatory reform amendments on:

- 1) Small business/public participation--an amendment to give small business 25% of the funds
- 2) Paperwork - to cut down and coordinate paperwork (forms, filings, etc.)
- 3) Performance--rather than design standards as a part of all Federal contracts.
- 4) Measuring the impact of current and proposed regulation--a form of this is in a Bentsen bill--we could call for a study by the administrative conference
- 5) A small business court for resolving disputes (Mathias' old bill)

These haven't been refined--we're tossing them about .