With the 109th Congress just around the corner, four small business issues—health care, taxes, tort reform, and access to capital—currently reside at the forefront of the NSBA agenda. Here is a brief synopsis of each issue:

**Health Care**

Following months of campaigning and speeches on the need for health care reform, what does President George W. Bush’s re-election and the increase in Republican Senate and House seats mean for small business health care?

As a major campaign issue and one of NSBA’s top priorities, access to affordable health care was expected to be a topic on the minds of voters. Yet it ranked behind moral values, the war in Iraq, economy/jobs, the deficit, and security, according to a CNN poll. Small business owners, however, continue to be pummeled by increasing costs.

Unfortunately, the constant discussion over small business health care relief has slowed on the part of the White House and Congress. Talk of overall health care reform has instead turned into worry over the ever-increasing deficit and prioritized funding. This could be part of the reason why the president is now looking more towards medical malpractice legislation and Association Health Plans (AHPs) as relief for small businesses.

It is expected that Bush and the Republican Congress will address medical malpractice early in the 109th Congress. Medical malpractice reform is seen as an excellent way to curb costly and frivolous lawsuits as well as preventing massive waste in the performance of defensive medicine. Additionally, medical malpractice is a way to address rising health care costs without adding to deficit spending.

Another top priority of NSBA is the opposition to AHPs. Legislation for AHPs passed twice in the House during the 108th Congress and is likely to be addressed again by the House in the 109th. With the increase in Senate Republicans, such legislation could face a less turbulent ride in the Senate if introduced. The retirement of Sen. Don Nickles (R-Okla.), who was adamant in his opposition to AHPs, and the move of Sen. Judd Gregg (R-N.H.) from the Health, Education, Labor and Pensions (HELP) Committee to the Budget Committee could create an additional incentive to supporters of AHP legislation.

AHP legislation, in its most recent form, would allow associations to circumvent state insurance rules, giving them the ability to make their plans very unattractive to less-healthy populations.

These insurance schemes would leave the less-healthy population in the state-regulated markets, and eventually without insurance altogether as the state markets implode due to adverse selection. NSBA will continue to oppose AHPs and will instead seek reform that will contain costs rather than merely shift costs around.

**Taxes**

The most exciting and far-reaching tax policy to be debated in the 109th Congress will be fundamental tax reform. The issue grew in stature over the course of the 2004 election and was a deciding factor in many close campaigns.

NSBA has advocated repealing the current Internal Revenue Code and replacing it with a consumption tax. Bi-partisan legislation has been introduced in both the House and continued on p. 10
4 A BRIGHT FUTURE AHEAD
New NSBA Chair Malcolm Outlaw, a native of Midland, Texas, previews the coming months, including the 2005 Small Business Congress.

6 MEET YOUR 2005 NSBA OFFICERS
Take the opportunity to learn more about the eight people who will serve the organization over the next 12 months.

9 JOIN AN NSBA ISSUE COMMITTEE
This is a unique chance to help the organization monitor its priority issues for the 109th Congress.

MORE NSBA NEWS
5 NSBA year-end report… 7 Small Business Congress set for Feb. 10-12… 9 SBEA receives grant… 11 NSBA calendar… and more.

MISSION STATEMENT
NSBA is a volunteer-led association. Our primary mission is to advocate state and federal policies that are beneficial to small business, the state, and the nation — and promote the growth of free enterprise.
Health insurance that’s right for you.

Now, through an alliance with the NSBA and Assurant Health, you can access quality, economical medical insurance for individuals and families. Assurant Health has been in business for more than 110 years and is committed to providing innovative health insurance products that offer simplicity, value and flexibility.

Choose the Assurant Health plan that best meets your healthcare needs and budget –

- PPO Copay Plan
- One Deductible Plan with a Health Savings Account (HSA)
- Short Term Medical

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Insurance plans are underwritten and issued by John Alden Life Insurance Company.
Chairman’s Message
A Bright Future Ahead

By Malcolm Outlaw
NSBA Chairman

In New Orleans, I was fortunate enough to be elected the 2005 chair of NSBA. It’s a very exciting time for the organization and I am thrilled to be given this responsibility for the coming year.

But now it is time to get to work.

At the top of the current NSBA agenda is our Small Business Congress, to be held Feb. 10-12 in scenic Longboat Key, Fla. The event allows us—members of the organization and fellow business owners—a vital opportunity to set the priority issues for the 109th Congress as an organization. The event reinforces our advocacy mission, and gives us our “marching orders” for the next two years.

I strongly urge you to attend and bring as many people as possible. If you register before Jan. 10, the fee is $259 for an attendee and $478 for an attendee and a guest. After Jan. 10, the registration fee increase to $299 for an attendee and $518 for an attendee and a guest. You can sign up at the NSBA Web site, www.nsba.biz.

I’ve been to several Small Business Congresses and found that the discussion leaders are very informative, but also give us insight into our friends and opposition in Washington. NSBA, being a member-directed organization, uses this Congress to prioritize the legislative agenda. Also, there is time to relax and work with other small business owners.

Another vital program NSBA is organizing right now is the Small Business Advocate of the Year Award. We already have completed three-fifths of the nomination process, but there is still time for you to nominate someone if you live in Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Puerto Rico, South Carolina, Tennessee, my home state of Texas, Virginia, Washington, D.C., and West Virginia. The schedule is posted on www.nsba.biz.

Potential award winners will demonstrate a commitment to small business advocacy, a proven history of voluntary efforts and endeavors to advance small business and improve the conditions for small business owners; success and growth as a small business owner; or any other accomplishments demonstrating merit as an effective advocate for small business interests.

We will announce the final winner of the award at the Washington Presentation, to be held May 11-12 at the Wyndham Washington, located around the corner from the NSBA offices at 1400 M Street NW in Washington, D.C.

The Washington Presentation also is vital part of our advocacy program, a continuation of sorts from the Small Business Congress. Attendees at the event will get a chance to meet their elected representatives on Capitol Hill and have ample opportunities to learn firsthand about the issues that most affect small business owners. (Look for more information about the event in the next issue of this newsletter and on www.nsba.biz.)

This issue of the Advocate begins that process, with our cover story previewing the 109th Congress. The newsletter also gives you a chance to meet my fellow 2005 officers and see where NSBA recently has appeared in the media (see below).

Finally, I would again like to thank Raymond for his outstanding work as the 2004 chair. I look forward to working with and on behalf of NSBA over the coming year.

NSBA in the News
This year, NSBA has increased its exposure in the media—both print and broadcast. Below is a sampling of where the organization has appeared. A more comprehensive listing can be found at the NSBA Web site, www.nsba.biz.

- Associated Press (Nov. 7) Post-election Agenda for Small Business
- Business Week (Nov. 1) Inspecting the Lobbies
- Chicago Tribune (Oct. 25) Owners Groups Divided by Health-Care Proposals
- National Public Radio (Oct. 8) Small Businesses Face Difficult Health Care Choices
- The Los Angeles Times (Sept. 29) Are Bush’s Tax Cuts Doing the Job?
- The New York Times (Sept. 23) Bush, Kerry Court Small-Business Owners’ Vote
- The Wall Street Journal (Sept. 10) Health-Care Costs for Companies, Employees Surge
- Entrepreneur Magazine (Aug. 1) Nobody’s Fool
- The Washington Post (June 5) Kerry Plan Could Cut Insurance Premiums
Concluding a Productive Year

By Raymond Arth
NSBA Immediate Past Chair

A s expected, 2004 was a slow year on Capitol Hill as election-year politics distracted Congress from legislative activities. Nonetheless, 2004 was a very productive year for our organization. The following report briefly summarizes some of our most important accomplishments.

- The strategic planning process that started last year was brought to a successful conclusion. Through this process, we examined and reaffirmed our primary objectives and established specific action plans to achieve them. As a result, we approach 2005 with our goals clearly defined and in sight as we confront the legislative and regulatory opportunities that will arise.

- Our financial operating results showed continued growth in membership, increased revenues, a firm control on spending and positive earnings for the association. NSBA is stronger financially than at any time in my memory.

- Media awareness of NSBA continues to grow as we become a “go-to” resource for fair and accurate information on small business matters. Our members and staff have presented testimony before Congress, and also have provided background information and commentary for print publications and broadcast news outlets. From the Fox News Channel and NBC Nightly News to National Public Radio, The Wall Street Journal to The New York Times, NSBA is increasingly recognized as THE reliable source for small business information. (A list of where NSBA has appeared in the media appears on p. 4 of this newsletter and also on the NSBA Web site, www.nsba.biz.)

- NSBA’s issue committees continued their work on refining existing policy and defining new positions on emerging issues. We continue to promote our tax equity study and our support for the Fair Tax, a national retail sales tax that would replace the present federal income and payroll taxes. Health care also remains an important priority as we continue to explain our opposition to Association Health Plans. Our health care sub-committee is presently putting the finishing touches on a new proposal to address the growing problems in our health care system.

- The Small Business Exporters Association (SBEA) has recently concluded an agreement with Canacintra, the largest trade association in Mexico, to promote trade between the members of the two organizations. SBEA also was awarded a Commerce Department grant to promote international trade. The grant is supplemented by matching funds from United Parcel Service (UPS) and in-kind contributions from the Commerce Department and our major partner, the Los Angeles County Small Business Office. The grant will fund an event in late March or early April 2005 in California to coach small companies on gaining access to the global supply chains of major US exporters.

The preceding highlights touch on only a few of the broad range of activities of NSBA. Space will not allow the proper recognition that each of our board members deserve or to acknowledge the individual accomplishments of our staff. Suffice it to say, that the organization has concluded a very successful year thanks to the leadership provided by our small business volunteers and the performance of our professional staff.

There will be a great deal to do in 2005 and we invite and would welcome your input and involvement. Our next scheduled major event is the Small Business Congress, to be held Thursday, Feb. 10 to Saturday, Feb. 12 in Longboat Key, Fla. This biennial event provides the opportunity for small business owners to assemble, learn about, discuss and prioritize the key issues the board should consider as we establish our priorities. (More information about this event appears on p. 7 of this issue and on www.nsba.biz.)

This last election saw increased voter participation and a record turnout in the number of voters. Getting out the vote was only the beginning—now we need to get more involved in the process.

Let me close, then, with a quote from Dwight D. Eisenhower:

“Politics ought to be the part-time profession of every citizen who would protect the rights and privileges of free people and who would preserve what is good and fruitful in our national heritage.”

We have an unlimited pool of part-time positions in need of volunteers. Get involved and help us make a difference.

DID YOU KNOW?

From Thursday to Saturday, Feb. 10-12, 2005, NSBA members will convene at the Colony Beach and Tennis Resort in Longboat Key, Fla., to set the organization’s priority issues for the 109th Congress. This event will also include a Health Care Summit, and a chance to learn about many issues.
2005 NSBA Officers

MALCOLM OUTLAW
Chair
Midland, Texas
Title/Company: President, Sunwest Mud Company, Inc. (Founded 1984)
Company Description: Warehouse and distributor to oil drilling side of drilling fluid products.
Past Board Positions:
☆ First Vice Chair
☆ Treasurer
☆ Vice Chair for Advocacy
☆ Vice Chair for Membership

PAUL HENSE
First Vice Chair
Grand Rapids, Michigan
Title/Company: President, Paul A. Hense, C.P.A. (Founded 1972)
Company Description: Certified public accounting firm specializing in small business
Company Web site: www.paulahensecpa.com
Previous Board Positions:
☆ Vice president of the legislative action committee
☆ Treasurer
☆ Vice chair of communications
☆ Chair of the tax committee

RAYMOND ARTH
Immediate Past Chair
Cleveland, Ohio
Title/Company: President and CEO, Phoenix Products, Inc. (Founded 1977)
Company Description: Low-tech assembler engaged primarily in the production of faucets for recreational vehicles
Company Web site: www.faucets.com
Previous Board Positions:
☆ First Vice Chair
☆ Vice Chair for Advocacy
☆ Chair of numerous committees

GRANTON “Cap” WILLEY
Treasurer
Providence, Rhode Island
Title/Company: Shareholder, Tofias PC (Founded 1963)
Company Description: Certified Public Accounting and business consulting firm
Company Web site: www.tofias.com
Previous NSBA Positions Held:
☆ Chair of tax committee
☆ Chair of economic development committee
☆ Chair of Washington Presentation planning committee

PHYLLIS SHEARER JONES
Secretary
Silver Spring, Maryland
Title/Company: President and CEO, Elan International (Founded 1997)
Company Description: International business development firm
Company Web site: www.elaint.com
Previous NSBA Positions Held:
☆ Member of economic development committee
☆ Member of 2005 Small Business Congress planning committee
☆ Member of Washington Presentation planning committee

MARILYN LANDIS
Vice Chair of Advocacy
Pittsburgh, Pennsylvania
Title/Company: President, Basic Business Concepts, Inc. (Founded 2001)
Company Description: Provides CFO-level services to small, rapidly-growing companies, plus business brokerage services
Company Web site: www.basicbusiness.biz
Previous NSBA Positions Held:
☆ Board of Trustees

continued on next page

ALL PICTURES BY ROB YOUNICH

www.nsba.biz
Small Business Congress Set for Feb. 10-12

By Rob Yunich
Director of Communications

Your chance to help NSBA set the organization's priority issues for the 109th Congress is here. The opportunity will occur during NSBA’s biennial Small Business Congress (SBC), to be held Thursday to Saturday, Feb. 10-12 at the Colony Beach and Tennis Resort in Longboat Key, Fla.

The event also will include sessions focusing on taxes, regulatory affairs, and economic development; time to meet other NSBA members; and much more. Members will finalize the priority issues Saturday, Feb. 12.

The issues will be split into five categories: tax policy, information and technology; economic development; health and human resources; and environment and regulatory affairs.

SBC also will include an innovative Health Care Summit (where NSBA will unveil a groundbreaking healthcare reform plan); speakers who are experts in their fields; time to meet your fellow NSBA members; and much more.

The Colony features tennis on 21 courts (10 are soft), a state-of-the-art fitness center, full-service health spas with whirlpool, a beachside freshwater swimming pool, and access to plenty of water sports.

The rate for a one-bedroom condominium is $210 per night, while a two-bedroom condominium costs $285 per night. (Hotel fees may increase after Jan. 10.)

Until Jan. 10, 2005, the registration fee is $259 for an attendee and $478 for an attendee and a guest. After Jan. 10, the fees increase to $299 for an attendee and $518 for an attendee and a guest.

As an added bonus, the registration fee includes a six-month trial NSBA membership for non-member registrants.

Registration for the event is available on-line at the NSBA Web site, www.nsba.biz.

For more information, please call Rosa Wright at 202-293-8830 ext. 207 or e-mail rwright@nsba.biz.

Did You Know?
DeWitt Emery, a small business owner from the Midwest, founded NSBA in 1937. At the time, Emery’s group was called the National Small Business Men’s Association. The organization subsequently changed its name to National Small Business United before switching to the National Small Business Association in 2003. The group originally was comprised of 160 small businesses. Today, NSBA represents more than 150,000 in the United States, British Virgin Islands, Guam, Puerto Rico, and U.S. Virgin Islands. The organization’s Website, www.nsba.biz, remains the best way to stay updated on NSBA events.

Save the Date
Washington Presentation
May 11-12
Wyndham Washington
Malcolm Outlaw Elected 2005 NSBA Chair

By Rob Yunich
Director of Communications

Malcolm Outlaw, a resident of Midland, Texas, is a successful small business owner. He started SunWest Mud Company, Inc. in 1984 with one employee and one truck operating out of a small warehouse in Midland. That year, the oil and gas industry was very depressed because oil prices had dropped from a high of $30 to $50 per barrel to a low of $5.

“The downsizings of large companies lead to my success in the early years,” Outlaw says. “Through two separate acquisitions, SunWest expanded into North Texas and East Texas. And in the early 1990s, SunWest expanded into Oklahoma.”

Outlaw’s company now operates out of 10 warehouses in five states. The business has grown to approximately $20 million in revenues. SunWest has experienced 30-40 percent swings in its revenues in both directions.

“Over the years as the price of oil has moved up and down and so have the revenues,” Outlaw says. “This has given me the opportunity to manage both in the good times and bad. I also understand from my business experiences how government regulation and taxation affect my business and yours.”

Outlaw brings this experience as a small business owner to his new post as 2005 NSBA chairman. He was elected during the 2004 membership meeting, held Nov. 12 at the Royal Sonesta Hotel in New Orleans.

Outlaw has been a NSBA member for more than 10 years and previously served as the organization’s first vice chair, treasurer, vice chair for advocacy, and vice chair for membership. He has served on many committees and attended countless events.

“It is my privilege to serve this organization and small business across America,” Outlaw says. “In one respect, my job has been made easier by systems and structure that the past chairs have laid in place. Also, with the experienced and dedicated officers, directors, committee chairs and staff, NSBA will be able to address the concerns of small business as it relates to tax reform, Social Security, and health care.”

— Malcolm Outlaw

Outlaw has been a NSBA member for more than 10 years and previously served as the organization’s first vice chair, treasurer, vice chair for advocacy, and vice chair for

address the concerns of small business as it relates to tax reform, Social Security, and health care. I believe this will be a fast, productive year in Washington.”

Outlaw first heard of NSBA (then called National Small Business United) from fellow Texan David Pinkus, who had been associated with the organization. At that time, the NSBA leadership saw an opportunity to develop chapter relationships at the state level.

Seizing that opportunity, Outlaw and Pinkus joined with Joy Gay and others to form Small Business United of Texas, designed to advocate and protect small businesses interest in the Texas Legislature.

During this process, Outlaw was elected to the organization’s board of trustees at a meeting held, coincidentally, in New Orleans.

“Over the years, the organization has matured, become better organized to become the leading voice of small business in Washington,” Outlaw says. “NSBA differs from other organizations in that our members direct the advocacy positions of the organization. We are becoming more proactive, rather than just reacting to the legislation introduced in Congress.”

Evidence of this change will occur at the organization’s biennial Small Business Congress, to be held Feb. 10-12 at the Colony Beach and Tennis Resort in Longboat Key, Fla. (More information about the event can be found on p. 7.)

Outlaw, a native Texan and certified public accountant, received a Bachelor of Science degree from Mississippi State University in accounting. He has lived in midland for 22 years and remains active in the community.

Outlaw has served as an officer and on the board of the Midland Chamber, as chair of Small Business United of Texas, and sat on the Small Business Advisory Committee to the Texas Department of Economic Development. He also has testified before several committees of the Texas Legislature.

Outlaw and his wife, Debbie, have been married for nearly 20 years and have three children—Ryan, 17, Tiffany, 16, and Hailee, 9. He also has two older children living in Tulsa, Okla.

Although Outlaw likes to spend his free time on the soccer fields with his children, he remains focused on his business and NSBA.

“Every organization must look for new leadership to continue its mission,” Outlaw says. “This year, my goal is to add new members with leadership capabilities to the committees and the board.” ★
Join An NSBA Issue Committee

Do you want to have a say in the direction of NSBA’s stance on issues affecting small business owners? If so, we urge you to join an issue committee. Here are the options and a brief description of each:

**Tax:** The committee meets on the first Thursday of each month to discuss small business tax issues. A wide variety of issues are covered, including tax simplification and reform, pension reform, and accounting issues. The committee worked hard in 2004 to have legislation introduced on both the House and Senate that would implement recommendations found in NSBA’s *Tax Equity Report.*

**Economic Development:** The committee works to research and propose policy statements on issues related to the Small Business Administration, small business procurement and contracting, access to capital, bankruptcy, international trade and other pertinent issues to the economic growth and well-being of small businesses.

**Environmental and Regulatory Affairs:** The committee addresses issues affecting small businesses in the realm of product liability, tort reform, regulatory and paperwork reduction, energy policy, and environmental regulation and legislation.

**Health and Human Resources:**

The committee discusses current and proposed legislation pertaining to health care, social security, various pension issues, overtime pay, and a variety of other employee benefits. Additionally, this committee works towards creation of white-papers and overall policy statements to promote sound legislation in the interest of small business.

To join any committee, please call the NSBA offices at 202-293-8830 or 1-800-345-6728.

More information about the organization’s priority issues can be found on [www.nsba.biz](http://www.nsba.biz).

NSBA At Work

*Highlights of NSBA staff activities from the last two months*

**Oct. 14**
*National Economists Club Event*

Staff attended a National Economists Club event to hear speech from Chad Moutray, the chief economist for the Small Business Administration’s (SBA) Office of Advocacy.

**Oct. 15**
*Urban Partnership Kick-Off*

NSBA attended a press briefing on a new partnership between the Urban League and SBA to reach-out to entrepreneurs in inner-city areas.

**Oct. 20**
*SBA Briefing*

Staff attended a full-day briefing by the Office of Advocacy about the Regulatory Flexibility Act.

**Oct. 27**
*Meetings with English, Committee*

Staff met with Rep. Philip S. English (R-Pa.) to discuss tax simplification and reform for small businesses, and subsequently met with members of the House Small Business Committee to discuss the upcoming agenda.

**Nov. 16**
*IRS Event*

Staff met Kevin Brown, the new head of the Internal Revenue Service’s Small Business self-employed division.

**Nov. 17**
*Todd McCracken Testifies*

NSBA President Todd McCracken testified before the House Government Reform Subcommittee on Regulatory Affairs about the need for increased oversight in agency efforts to reduce and reform regulations. This marked the fifth time NSBA has testified before this committee during the 108th Congress.

**Nov. 30**
*Family Business Estate Tax meeting*

Staff attended a meeting of the Family Business Estate Tax Coalition to discuss estate tax repeal efforts for the 109th Congress.

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SBEA Receives Grant

Jonanthan Menes (second from right), the assistant deputy secretary for industry analysis for the International Trade Administration/U.S. Department of Commerce, was the featured speaker at the 2004 NSBA annual membership meeting in New Orleans. Standing with him are (l-r) NSBA Board Member David Ickert of Olney, Texas, SBEA President James Morrison, and NSBA Board Member Don Williams of Marietta, Ga. Menes officially presented a grant from the Commerce Department to SBEA and spoke about his department’s recent activities. For more on SBEA, please visit [www.SBEA.org](http://www.SBEA.org).

*Photo by Rob Yunich*
NSBA focuses on Capitol Hill (continued from p. 1)

Senate that would achieve this goal. It is important that small businesses are involved in the debate over fundamental tax reform to ensure that small businesses are not overlooked.

While working to achieve fundamental reform, NSBA will continue efforts that began in the last Congress on tax equity for small businesses as outlined in the report, “The Internal Revenue Code: Unequal Treatment Between Large and Small Firms.”

NSBA was successful in having legislation introduced in both the House (H.R. 1873) and Senate (S. 2433) that would repeal the self-employment tax on health-care. NSBA will work to have the legislation reintroduced in the new Congress and increases our total number of co-sponsors.

Pension reform and simplification also will attract attention. NSBA hopes that Bush chooses his second term to push hard for his Employer Retirement Savings Accounts (ERSAs), which will ease the formation of qualified pension plans to the benefit of small business owners and their employees.

The final priority from the Tax Equity Report—allowing business owners to participate in fringe benefit plans along with employees—will continue to be advocated in the upcoming Congress. Legislation to allow business owners to participate in Section 125 plans was close in the last Congress; NSBA has great hope for the 109th.

Finally, the prospects for a permanent repeal of the estate tax look promising with the increased Republican majority in the Senate. Many of the Senators-elect have signed pledges advocating for permanent repeal.

In the House, Rep. Kenny Hulshof (R-Mo.) will take over as leader of estate tax repeal from Rep. Jennifer Dunn (R-Wash.). The organization will continue to relate the negative effects of the estate tax on small businesses by collecting stories from NSBA members.

Tort Reform

Having dubbed the 109th session the “reform congress” before it has even started, House Majority Leader Dennis Hastert (R-Ill.) has made tort reform a top priority. The outcome of the 2004 election has left tort reform proponents with a general sense of optimism that something will be done in the 109th Congress. That optimism is tempered, however, especially following the Senate’s inability to include anticipated language in the appropriations omnibus bill regarding class action reform.

Other tort reform issues expected to be addressed include product liability, medical malpractice, and asbestos litigation. While product liability is likely to encounter more friendly faces than foes, there are still questions on whether or not Congress has the votes to enact asbestos legislation that would limit pay-outs through an established fund contributed to by industry. Another important change industry and attorney advocates will be monitoring is the ascension of Sen. Arlen Specter (R-Pa.) to chair of the Judiciary Committee.

Though Specter has historically supported class-action reform and an asbestos agreement, he has been heavily funded by trial lawyers associations. Despite his financial and family ties to trial attorneys—Specter’s son is a prominent attorney in Philadelphia—Specter is expected to tie his loyalty to the Republican Senators that rallied for his appointment to Judiciary Committee.

NSBA was active in pursuing and supporting small business liability reform legislation, introduced by Rep. Steve Chabot (R-Ohio) in the 108th Congress, and will continue to seek small business-specific reform while supporting overall tort reform.

Small Business Assistance

There are two schools of thought on the best way to help small business start, run, and grow. One is to provide government-subsidized assistance in the form of low-fee, non-conventional loans and technical assistance, and the other is to help small businesses prosper through tax incentives and tax cuts. Following the elections, it is clear that the latter is likely to be the pursued policy in Washington, D.C.

Though it would be unfair to say that all Republicans are more in favor of tax cuts than they are of Small Business Administration (SBA)-run programs, there appears to be greater support for funding SBA programs coming from the left side of the isle. However, a good number of Republican House members successfully supported an initiative to amend the appropriations bill by infusing funding back into the proposed zero-level of the popular 7(a) program.

Unfortunately, that one success was met with resistance from the SBA and the Bush administration as well as some members of Congress. The 7(a) program currently stands at a zero subsidy, which means there will be no funds appropriated to the program, leading to entrepreneurs with increased fees for their 7(a) loan and banks with increased costs to make those loans.

The agreement, while leading to increased fees, will raise the SBA Express program limit from $250,000 to $350,000; increase the 7(a) loan cap to $1.5 million; and include a verbal agreement from SBA to discuss the option of allowing combination, or piggy-back financing.

NSBA supports full funding of the SBA 7(a) program and the various technical assistance programs. Given the growing size of the deficit, it is likely the administration will continue seeking avenues to reduce spending. The administration’s philosophy on small business development coupled with increasingly tight budgets has left many in the small business arena with the very real possibility of further cuts to the SBA.
<table>
<thead>
<tr>
<th>Date</th>
<th>Sponsor</th>
<th>Event</th>
<th>Time/Location</th>
<th>Registration Info</th>
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</thead>
<tbody>
<tr>
<td>Thursday-Saturday, Feb. 10-12</td>
<td>National Small Business Association</td>
<td>Small Business Congress (includes Quarterly Board Meeting)</td>
<td>The Colony Beach and Tennis Resort, 1620 Gulf of Mexico Drive, Longboat Key, Fla.</td>
<td>RSVP to Rosa Wright, 202-293-8830 ext. 207 or <a href="mailto:rwright@nsba.biz">rwright@nsba.biz</a>.</td>
</tr>
<tr>
<td>Feb. 10</td>
<td>Council of Smaller Enterprises (COSE)</td>
<td>Business Unusual (networking/trade show/education program)</td>
<td>Location TBA</td>
<td>For more information or to RSVP, call Claire Walker, 216-592-2417 or e-mail <a href="mailto:cwalker@gcpartnership.com">cwalker@gcpartnership.com</a>.</td>
</tr>
<tr>
<td>April 2005</td>
<td>Council of Smaller Enterprises (COSE)</td>
<td>Business After Hours (business-to-business networking trade show)</td>
<td>Location TBA</td>
<td>For more information or to RSVP, call Claire Walker, 216-592-2417 or e-mail <a href="mailto:cwalker@gcpartnership.com">cwalker@gcpartnership.com</a>.</td>
</tr>
<tr>
<td>Wednesday-Thursday, May 11-12</td>
<td>National Small Business Association</td>
<td>Washington Presentation (includes Quarterly Board Meeting)</td>
<td>Wyndham Washington, 1400 M Street, Washington, D.C.</td>
<td>RSVP to Rosa Wright, 202-293-8830 ext. 207 or <a href="mailto:rwright@nsba.biz">rwright@nsba.biz</a>.</td>
</tr>
<tr>
<td>Thursday-Friday, Aug. 11-12</td>
<td>National Small Business Association</td>
<td>Quarterly Board Meeting</td>
<td>Michigan, exact location TBA</td>
<td>For more information, call Rosa Wright, 202-293-8830 ext. 207 or e-mail <a href="mailto:rwright@nsba.biz">rwright@nsba.biz</a>.</td>
</tr>
<tr>
<td>Thursday-Friday, Nov. 10-11</td>
<td>National Small Business Association</td>
<td>Quarterly Board Meeting/Annual Membership Meeting</td>
<td>Southern California, exact location TBA</td>
<td>For more information, call Rosa Wright, 202-293-8830 ext. 207 or e-mail <a href="mailto:rwright@nsba.biz">rwright@nsba.biz</a>.</td>
</tr>
</tbody>
</table>

Do you want to see your events appear on the calendar? Please send the information to Rob Yunich, 202-293-8830 ext. 224, fax to 202-872-8543, or e-mail press@nsba.biz.

Are you searching for the latest information from NSBA? Do you want to read about the latest issues, see NSBA’s name in the press, and learn how you can take action? It’s easy! [www.nsba.biz](http://www.nsba.biz)