

Congress of the United States
Washington, DC 20515

June 15, 2007

The Honorable Steven Preston
Administrator
U.S. Small Business Administration
409 Third Street, S.W.
Washington, DC 20416

Dear Administrator Preston:

We are writing to you in response to your letter of March 2. This letter was provided as a result of the Committee's request of January 31, 2007, to act expeditiously on a size standard change for the liquefied petroleum gas (LP-gas) industry. Given the agency's inaction and the appropriateness of the request, we are reiterating that request and also stipulating that the SBA provide a timeline with milestones for accomplishing the size standard change.

The LP-gas industry first approached the SBA with a request for a review of their size standard in September of 2004 – nearly three years ago. To date and despite apparent agreement by the SBA, no action has been taken to modify the size standard. We are concerned that while the agency's regulations specifically state that an interested party may petition the SBA for rulemaking this right is given little attention by the agency.

The industry interest in this size change is not a matter of convenience to obtain more benefits under the Small Business Act. Rather, it directly relates to the power of the Administrator to set small business size standards for the purposes of any other Act, as set forth in § 3(a)(2) of the Small Business Act. LP-gas businesses pay fees to the Department of Transportation that are based on whether the business is small as defined by the SBA. Currently, many businesses in the LP-gas industry pay fees to the Department that are \$700 dollars higher than they would otherwise have to simply because the SBA has failed to act on a modification to a size standard that the SBA concurs is appropriate. Failure to act will cause even more grievous harm if the Department, as it proposes, raises the fees to \$3,000 a year for businesses that are other than small.

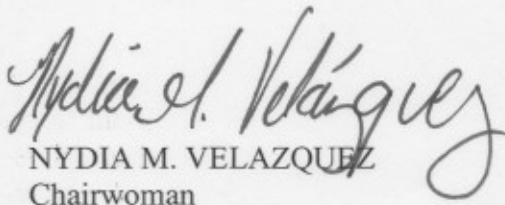
Notably, the SBA did not include mention of any notice of intent to address this manner in the agency's Semiannual Regulatory Agenda issued on April 30, 2007. This Agenda contains an inventory of all of the agency's projected rulemakings, including regulations that the agency intends to develop during the next 12 months.

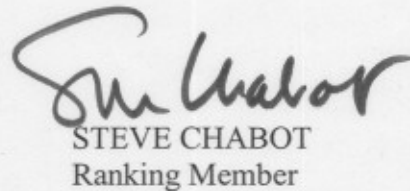
Whether the SBA opts to retain the current size standard, or to increase or decrease it, this industry deserves closure on this matter. Continued inaction by the SBA leaves the industry in an unnecessary state of limbo given that they have no alternative venue for action.

To this end, we request that your office provide a timeline of intended actions on this matter. Specifically, we ask that you identify all actions involved in this size standard change and the date the agency intends to accomplish each of these items. Please provide this information by close of business, June 28.

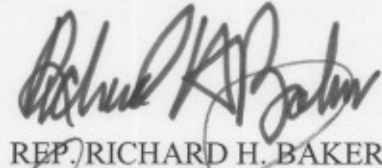
If you have any questions about our request, please have your staff contact LeAnn Delaney of the Committee staff at (202) 225-4038, and Barry Pineles of the Republican staff at (202) 225-5821.

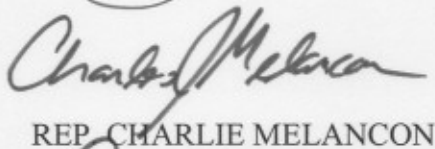
Sincerely,

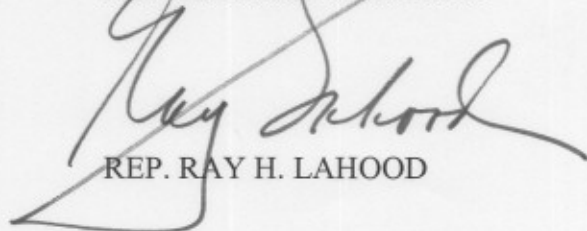

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Chairwoman

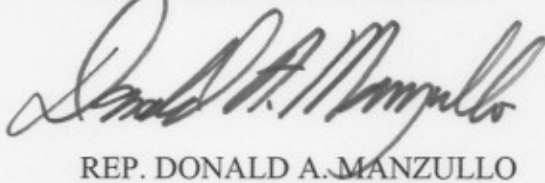

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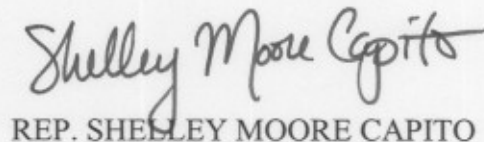

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