

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, has serious concerns with Title V of H.R. 3567, the "Small Business Investment Expansion Act of 2007," which is expected to be considered by the House today.

Title V of H.R. 3567, if passed into law, would allow changes to the longstanding definition of small business that would permit larger business concerns to effectively control and dominate small business enterprises while at the same time allowing them to participate in small business programs. This fundamental change could undermine the public policy objectives of all of the small business resources and programs authorized by Congress to foster innovation, growth, and help to level the playing field for small businesses within the market place.

Title V of H.R. 3567 would allow venture capital conglomerates, colleges, and universities to have effective control and ownership of an unlimited number of small businesses while still falling under the definition of small business for the purposes of using government resources and programs meant for traditionally defined small businesses. These new enterprises would not be subject to the affiliation rules as they now apply to all existing business concerns. As a longstanding advocate for small business, the Chamber opposes creating a loophole in the law that allows the unfettered growth of a conglomerate business enterprise that will not be restricted by existing size-standards as determined by affiliation rules and still be able to avail themselves of services, resources, and programs that have been dedicated to traditional small businesses.

For these reasons, the Chamber opposes Title V of H.R. 3567. The Chamber looks forward to working with Congress to address these important concerns.

Sincerely,



R. Bruce Josten