



**Opening Statement of Chairman Scott Tipton
Subcommittee on Agriculture, Energy, and Trade
Hearing: “Examining Duplication, Overlap and Fragmentation in Federal Financial
Assistance Programs”
February 6, 2014**

Good Morning, Thank you all for being with us today. I call this hearing to order.

To bolster our economy, Congress recognizes that it’s essential, when possible, to reduce barriers to small business growth. One area where small businesses consistently feel that barriers exist is in accessing capital. Capital is the lifeblood of a business since it is essential for growth and expansion. Without it, businesses are not able to develop products and services, market themselves or hire employees. This is particularly true in rural areas where there are limited resources available to businesses.

In light of this, Congress created the Small Business Administration 7(a) and 504 loan programs and the United States Department of Agriculture Business and Industry Loan Program to help businesses access capital. Despite this effort to help entrepreneurs, the Government Accountability Office has found that overlap exists between these programs, potentially confusing the people they are intended to benefit and wasting scarce taxpayer resources.

Along with identifying areas of overlap in government financial assistance programs, GAO has offered recommendations to federal government agencies on best practices to ensure that programs are meeting their goals.

Progress in eliminating overlap, however, is dependent on the agencies placing a priority on implementing GAO’s recommendations and best practices. Not only will this help agencies focus on programmatic improvements, but it will also provide entrepreneurs and government resource partners with a clear understanding of the goals of each program and how it can best work for local businesses.

Unfortunately, the agencies have not taken GAO’s recommendations as seriously as we had hoped, and we still have three programs, spread across two different federal agencies, that can offer similar assistance in the form of government-guaranteed loans to similar beneficiaries - in this case - small businesses.

Today we are here to learn what steps agencies have taken to implement GAO's recommendations to eliminate duplication in the federal guaranteed lending programs and what legislative changes, if any, are necessary to assist these agencies in their efforts to eliminate overlap and duplication.

With that, I would again like to again thank our witnesses for being here today and I yield to Ranking Member Murphy for his opening statement.