October 13, 2011

The Honorable Jeb Hensarling
Co-Chair
Joint Select Committee on Deficit Reduction
United States House of Representatives
Washington, DC 20510

The Honorable Patty Murray
Co-Chair
Joint Select Committee on Deficit Reduction
United States Senate
Washington, DC 20510

Dear Representative Hensarling and Senator Murray:

In accordance with the Budget Control Act of 2011, which established October 14, 2011 as the deadline for committees to submit their recommendations to the Joint Select Committee on Deficit Reduction (JSCDR), I am pleased to provide the consensus recommendations from the Republican Members of the Senate Committee on Small Business and Entrepreneurship. As you will see in the attached document, our recommendations address not only the programs under our jurisdiction at the U.S. Small Business Administration, but appropriately, also the broader issues that are contributing to the pervasive uncertainty that is stifling job creation and investment – tax burdens, the rising cost of health care, and growth in burdensome regulations.
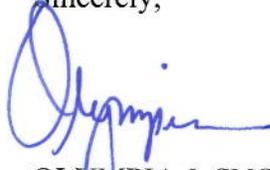
We urge the JSCDR to consider our recommendations against the following backdrop: small businesses report losing an estimated $2 trillion in lost profits and asset valuation since the recession started in December 2007, with an average loss of $253,000 for each of the eight million U.S. businesses with sales between $100,000 and $10 million. Some $6.5 trillion in homeowners' equity has been lost in the housing crash, approximately $1 trillion of it just in the past year. The loss is particularly hard on middle-income households and small-business owners who use their homes as collateral for loans.

During the 12-months ending in March of this year, entrepreneurs have started up the fewest new U.S. businesses in more than a decade, according to government figures. Weak start-up growth has dire implications for jobs because small and mid-size businesses have driven employment gains in the U.S. for years. Between the recession that ended in late 2001 and the start of the most recent recession in late 2007, businesses that employed fewer than 500 workers added nearly 7 million employees. It is imperative that we create an economic environment that will enable small business to return on the path to prosperity, economic growth and job creation.

The JSCDR must strike the difficult balance of reducing the deficit by $1.5 trillion over the next ten years, while also bolstering the job creation potential of small businesses, our nation's job generators. I urge you to carefully consider the recommendations of the Republican Members of the Senate Committee on Small Business and Entrepreneurship, as we are committed to working with the JSCDR to address the growth of our unsustainable national debt.

Thank you for your efforts in coming up with solutions to address the short and long term fiscal imbalance of the federal government. Please do not hesitate to contact me or my staff director, Wally Hsueh, if we can be of assistance to the JSCDR.

Sincerely,

OLYMPIA J. SNOWE
Ranking Member

CC: The Honorable David Vitter
        The Honorable James Risch
        The Honorable Marco Rubio
        The Honorable Rand Paul
        The Honorable Kelly Ayotte
        The Honorable Michael Enzi
        The Honorable Scott Brown
        The Honorable Jerry Moran

ATTACHMENT