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118TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
118–471

PLAIN LANGUAGE IN CONTRACTING ACT

APRIL 26, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 7987]

The Committee on Small Business, to whom was referred the bill (H.R. 7987) to require plain language and the inclusion of key words in covered notices that are clear, concise, and accessible to small business concerns, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND BILL SUMMARY

On April 15, 2024, Rep. LaLota along with Rep. Thanedar introduced H.R. 7987. The purpose of H.R. 7987, the "Plain Language in Contracting Act," is to require federal agencies to write contract solicitations in a clear and concise way, and to the extent practicable with the Federal plain language guidelines.

II. NEED FOR LEGISLATION

Small businesses lack the armies of lawyers and specialists that large companies employ when seeking federal contracts. In order to prevent the need for this, and to give small businesses a leg up in federal contracting, this legislation ensures that federal contracting opportunities are written in plain language.

The number of small businesses winning government contracts continues to decrease. The burdensome contracting process discourages many successful small businesses from even bidding on one. The smaller number of small businesses participating in contracting is, in part, exacerbated by the extremely difficult to understand language in government contract solicitations. While existing contractors have been forced to become accustomed to this language, the barrier it creates significantly hurts small businesses deciding to compete for a government contract for the very first time.

III. HEARINGS

In the 118th Congress, the Committee held four hearings examining the issues covered in H.R. 7987. On May 11, 2023, the Committee held a hearing titled "Leveling the Playing Field: The State of Small Business Contracting". On February 6, 2024, the Committee held a hearing titled "Under the Microscope: Reviewing the SBA's Small Business Size Standards." On February 15, 2024, the Committee held a hearing titled "Leveling the Playing Field: Challenges Facing Small Business Contracting". On April 16, 2024, the Committee held a hearing titled "Exploring SBA Programs' Reviewing the SBIC and SBIR Programs" Impact on Small Businesses". These hearings examined the causes behind the decline in small business participation in government contracting.

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on April 17, 2024, and ordered H.R. 7987 reported to the House of Representatives. During the markup no amendments were offered.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 7987 to the House of Representatives at 11:47 AM.

118th Congress House Committee on Small Business Vote Record

Date: Wednesday, April 17th, 2024
Bill: **H.R. 7987** – The Plain Language in Contracting Act

Time of Vote: 11:47 am

Republicans	Aye	Nay	Present
Mr. Luetkemeyer (MO-03)			
Mr. Stauber (MN-08)	X		
Mr. Meuser (PA-09)	X		
Ms. Van Duyne (TX-24)	X		
Ms. Salazar (FL-27)	X		
Mr. Mann (KS-01)	X		
Mr. Ellzey (TX-06)	X		
Mr. Molinaro (NY-19)	X		
Mr. Alford (MO-04)	X		
Mr. Crane (AZ-02)	X		
Mr. Bean (FL-04)	X		
Mr. Hunt (TX-38)			
Mr. Lalota (NY-01)	X		
Ms. Maloy (UT-02)	X		
Chairman Williams (TX-25)	X		
TOTALS:			

Mr. Chairman on that vote: **23 Ayes 0** Nays and **0** Present

118th Congress House Committee on Small Business Vote Record

Date: Wednesday, April 17th, 2024
Bill: **H.R. 7987** – The Plain Language in Contracting Act

Democrats	Aye	Nay	Present
Mr. Golden (ME-02)	X		
Mr. Mfume (MD-07)			
Mr. Phillips (MN-03)			
Mr. Landsman (OH-01)	X		
Mr. McGarvey (KY-03)	X		
Ms. Gluesenkamp Perez (WA-03)	X		
Ms. Scholten (MI-03)	X		
Mr. Thanedar (MI-13)	X		
Ms. Chu (CA-28)	X		
Ms. Davids (KS-03)	X		
Mr. Pappas (NH-01)	X		
Ranking Member Velazquez (NY-07)	X		
TOTALS:			

VI. SECTION-BY-SECTION OF H.R. 7987

Section 1—Short title

This act may be cited as the "Plain Language in Contracting Act".

Section 2—Accessibility and clarity in covered notices for small business concerns

This section requires that covered notices in government contracting are written in a clear, concise, and accessible way, and to the extent practicable consistent with Federal Plain Language Guidelines.

In each covered notice, keywords will be required in the description to make it easier and quicker to identify what the notice is about.

The SBA must develop rules to implement this law within 90 days.

DEFINITIONS

Covered notice is defined as a notice pertaining to small business concerns published by an agency that is published on the government procurement website (SAM.gov).

Small business and Federal agency are defined as they are in the Small Business Act.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(d)(1) of House rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. The Committee has requested but not received from the Director of the Congressional Budget Office a cost estimate for the Committee's provisions. Once available, the cost estimate will be published in the Congressional Record.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to Sec. 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any additional costs attributable to this legislation. H.R. 7987 does not direct new spending, but instead reallocates funding independently authorized and appropriated.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small

Business with respect to the subject matter contained in H.R. 7987 are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, there are no performance goals and objectives of H.R. 7987 applicable.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 7987 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House, the Committee finds that the authority for this legislation in Art. I, § 8, cl.1 of the Constitution of the United States.

XVII. MINORITY VIEWS

The Small Business Administration (SBA) is tasked with ensuring that small businesses are awarded a "fair proportion of the total purchases and contracts for goods and services of the Government in each industry category. . . ." In accordance with this mandate, Congress has imposed a governmentwide goal of awarding at least 23% of all small business eligible Federal prime contracting dollars to small businesses. SBA's FY22 scorecard showed that the federal government awarded 26.5% of federal contract dollars to small businesses, a total of $162.9 billion.[1]

At the same time that the amount of prime contract dollars awarded to small businesses has reached record highs, the number of small businesses in the industrial base has declined dramatically. The federal government has documented a roughly 40% decrease in the number of small businesses receiving prime contract awards over the past decade. The data show that the federal government is not retaining current small business government contractors, and new small businesses are not choosing to enter the federal market.

Current procedures around small business procurements require federal agencies to conduct market research, request proposals, and issue solicitations by posting notices on the government's SAM.gov website. These documents identify what the agency intends to buy and the procedures they will use to do it, and interested companies then submit proposals, bids and other information in response.

Some stakeholders have raised concerns about the complexity of the requirements for contracting with the federal government, especially for small businesses seeking to contract with the government for the first time. This complexity can translate into contracting documents, which may be unfamiliar to a small business who has not previously entered into a contract with the federal government. The government-unique processes and wording can differ from commercial practices in a way that may discourage companies from doing work with the government.

NYDIA M. VELÁZQUEZ,
Ranking Member.

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[1] U.S. Small Bus. Admin, *FY 2022 Governmentwide Small Business Procurement Scorecard,* https://www.sba.gov/agency-scorecards/scorecard.html?agency=GW&year=2022.