

Small Business Leader Calls for Cooperative Approach in New Congress on Taxes and Regulatory Relief

WEST PALM BEACH, Fla. (Nov. 15, 2006) – With the Democratic victory in the U.S. House of Representatives and Senate signaling a sea change in the political dynamics of government, there's an opportunity for members of the new 110th Congress to put aside political differences, restore a bipartisan common ground, and seek support of smaller public companies to achieve tax and regulatory relief that's urgently needed for them to grow and remain competitive," said Frank Speight, Chairman of the National Small Public Company Leadership Council (Leadership Council) and Microcap Company Political Alliance Corp. (MCPAC), based in West Palm Beach, Fla. and Washington, D.C.. Both non-profit business groups work on behalf of the nation's smaller publicly-traded companies (with annual revenues of under \$100 million), advocating policy changes that support continued stability, transparency, and fairness necessary for these firms getting better access to the capital markets.

"Now that Democrats have taken control of the House and Senate, the new Congress has an opportunity to restore a bipartisan middle ground and seek support from the small business community and help them successfully fight for further investment and growth reforms to protect U.S. capital markets from over regulation and unfair enforcement, reduce the disproportionate cost of compliance, while also making the 2001 tax cuts permanent," said Mr. Speight. Of small business' contribution to job growth and the economy, he noted that small business has hired 60 to 80 percent of net new jobs and has contributed to 3.2 million new jobs since December 2004, according to the Small Business Administration's Office of Advocacy.

"The more centrist the Congress becomes, the more moderate elements of both parties can play a key role in determining the way policy decisions can affect small publicly-traded companies' ability to access the capital markets," Mr. Speight said. "It's time for the new Congress to put aside political differences and work on behalf of a fair and level playing field for businesses of all sizes. The Leadership Council and MCPAC look forward to working with Congressional members on both sides of the aisle, including new people in charge of key committees."

With Rep. Barney Frank (D-Mass.) expected to take over the House Financial Services Committee from Republican Michael Oxley of Ohio – who's retiring from the Senate along with his co-author of the law that bears their names – Mr. Speight said: "Representative Frank is known as being flexible on SOX, understands the markets, and has taken a moderate stance over the years. He's very market-oriented and wants to preserve America's competitive position." Mr. Speight also noted the concerns recently expressed by Treasury Secretary Henry Paulson and some members on the Senate Banking Committee who have recently suggested that SOX should be reexamined to reduce the burdensome requirements harming the U.S. capital markets.

"The Leadership Council and MCPAC, along with other business groups will continue to work together to advocate further clarification of SOX to reduce the disproportionate costs of compliance in a broader shift towards a watering down of SOX rules," he said.

On the issue of taxes, Mr. Speight said he is hopeful that Rep. Charles Rangel (D-NY), the probable next chairman of the tax-writing Ways and Means Committee, will keep his pledge made before the midterm elections that he had no intention of rolling back popular tax cuts, which were enacted during President Bush's first term in office. "Most of the tax cuts are scheduled to expire in 2010 so as Representative Rangel has stated earlier, making those tax cuts retroactive would just be bad tax policy," Mr. Speight said. "It is in the best interest of both parties to restore bipartisan cooperation and get something done."