

**Testimony of
U.S. Small Business Administration (SBA)
Associate Deputy Administrator Cheryl Mills
before the
House Government Reform Subcommittee on
Technology, Information Policy, Intergovernmental Relations,
and, the Census**

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Chairman Putnam, Ranking Member Clay, Members of the Subcommittee, I appreciate the opportunity to testify before you today about an issue that is of the utmost importance in today's business world; securing our nation's vast Information Technology (IT) network. My name is Cheryl Mills, and I serve as the Associate Deputy Administrator for Entrepreneurial Development at the U.S. Small Business Administration.

There are 25 million small businesses in America, but today's small businesses look nothing like the "mom and pop" entrepreneurs of fifty years ago whose marketplace was often limited to their local community. In 2004, America's small businesses are national, even global, entrepreneurs who ship their products across the country and around the globe.

The main reason for this change to the small business landscape is computer technology. Today's entrepreneurs use computers and the Internet to market their products, purchase supplies and equipment, and to run their businesses more efficiently. Basically, IT has allowed small business to compete in the world of big business.

However, as this Subcommittee is well aware, there are also risks associated with this new technology age. Cyber-security affects all Internet users, including small business. And for many small businesses, effectively managing this risk is the difference between a successful business and failure.

Assisting small businesses in meeting the varied and often unique challenges they face on a daily basis is one of the reasons the U.S. Small Business Administration (SBA) was created. While the SBA is most often associated with our successful loan programs, we are also very proud of the valuable technical assistance that we provide to America's entrepreneurs. As ADA for Entrepreneurial Development, I am responsible for overseeing the SBA programs that provide technical guidance and assistance to small businesses across the country.

The SBA provides technical assistance to our Nation's small businesses through our core infrastructure of Small Business Development Centers (SBDC), Women's

Business Centers (WBC), the Service Core of Retired Executives (SCORE), and our district offices. These resources are spread throughout the country in over 1,200 locations. In FY 2003, these resource partners provided technical assistance to over 900,000 small businesses.

Through our core infrastructure, the SBA has worked to address the challenges of IT security. One way of doing this is by partnering with other Federal agencies, state and local entities, as well as the private sector, to educate small businesses about the benefits and risks associated with today's technology-based business world.

In 2002, SBA teamed up with The Hartford to distribute a guidebook entitled "Managing Your Risk: The Smart Approach to Protecting Your Business." This provided management guidance on topics ranging from product liability to workers' compensation. Included in this guidebook was a section on "Computers and E-Commerce Risks---Feel More Secure." SBA distributed over 25,000 copies of this guidebook through our network of resource partners.

Throughout 2003, SBA and The Hartford conducted 10 seminars for 500 small business entrepreneurs, and also published an audio tape and CD-ROM on IT security.

Also, the SBA signed a memorandum of understanding with the Federal Bureau of Investigations (FBI) and the National Institute of Standards and Technology (NIST) to conduct a series of regional meetings on IT security for small businesses. These meetings have provided small businesses with an overview of information security threats, vulnerabilities, and corresponding protective tools and techniques. A special emphasis is placed on providing useful information that small business IT personnel can apply directly or use to task contractor personnel.

Through this partnership, we have reached over 800 small businesses during 11 seminars.

Also, SBA is currently considering collaboration with the U.S. Chamber of Commerce (Chamber) to put out a guide to cyber security. Like the cosponsorship agreement with The Hartford, SBA would collaborate with the Chamber to ensure that this publication was distributed to as many small businesses as possible.

As I mentioned earlier, SBA's core infrastructure also plays a role in this process. In fact, the SBA offers an online counseling course entitled, "Information Security Basics," in collaboration with The George Washington University. This multi-part course provides training and guidance on network security, e-mail security and security policies. The course is designed to help a small business understand the importance of implementing a sound information security plan.

In addition, our webpage features other e-commerce counseling courses. SBA's online courses can be found by visiting our Small Business Training Network at www.sba.gov/training.

Similarly, SCORE provides counseling on a range of e-commerce topics, from how to combat computer viruses to understanding customer privacy issues. Along with that, our SCORE volunteers have a wide range of their own business experiences that they rely upon when counseling a small business.

In San Francisco, the SBDC has created a Technology Advisory Program (TAP) that help clients understand how information technologies can specifically improve the way they operate, identify the most appropriate technology solutions, adopt and properly utilize the recommendations. The TAP program offers a course entitled “Information Security for the Small Business.”

Earlier this year, the Association of SBDCs partnered with Microsoft to develop and introduce the *e-Security Guide for Small Business*. This guide is available online, and SBDC counselors can utilize this information when working with a small business client. I have provided a copy of this guide for the Subcommittee’s review.

Mr. Chairman, I want to assure you that this Administration remains committed to providing our Nation’s small businesses with the tools they need to survive in today’s global market place.

I look forward to listening to the other panelists and working with the Subcommittee to continue serving the IT security needs of the small business community.