

Enzi, SBA get an earful

Regs, retaliation complaints aired

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EVANSTON — One small business owner speaking at a Small Business Administration hearing told a heart-wrenching story of his problems with the Internal Revenue Service and said he might lose his home and business because IRS employees were retaliating against him.

Another business owner, a rancher, complained about road access issues and the unwillingness of federal agencies like the Bureau of Land Management to work out access problems in checkerboard lands with federal and private ownership.

A local travel agent asked for federal relief similar to Congress' airline industry bailout and a state conservation district official cautioned federal officials about covert operations by agencies like the Environmental Protection Agency that could threaten the state's livestock operations.

It seems that too many federal regulations, too few sympathetic ears in Washington and routine threats of retaliation by federal officials are just some of the obstacles facing small businesses in the region, officials were told at an SBA regulatory hearing Monday in Evanston undertaken at the request of Sen. Mike Enzi, R-Wyo.

Enzi, who chaired the meeting with SBA National Ombudsman Michael Barrera, said testimony taken at the hearing will provide federal agencies with pertinent and practical information about how their practices affect small business.

"It's a special way to cut some of the red tape" on small business issues, he said.

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Comments gathered at the meeting will be used in a report to Congress next year that will evaluate the enforcement activities of federal regulatory agencies.

Enzi noted federal regulations classify small businesses as businesses with 500 employees or less, which means all of Wyoming is classified as small business.

Fred Brog, who runs a small dairy farm near Freedom in Lincoln County, told Enzi, "My story is, I'm going to be run out of business by the IRS and I feel I've done things properly."

He said a dispute with the IRS over a tax bill from a decade ago resulted in huge accounting and legal fees for his dairy farm. He said the IRS refused to answer numerous correspondence, and retaliated by auditing his business in 1996, 1997 and 1998 when he complained.

"I now owe \$34,000 for those three years and I'm still under audit today," Brog said. "The retaliation is so unfair because the IRS hasn't kept their word and there's no accountability there. We need somebody to make these folks answerable."

Sublette County rancher John Erramouse told how a five-year disagreement with the BLM over a road right of way on his property has delayed a tentative purchase of some federal land on his ranching operation.

"We had the purchase all ready to go, but now they've delayed it until the road issue is resolved," he said. "They're holding us hostage on this acreage, but it's not our fault."

Peggy Rounds, owner of Wild West Travel Agency in Evanston, said small business travel agents across the country need "immediate cash infusions" in the wake of the terrorist attack Sept. 11.

She noted travel agencies account for 75 percent of all travel tickets sold in the U.S.

"A lot of travel agents have no meaningful cash reserves or assets for loans," she said.

"Make sure those (SBA disaster) loans are industry-based and not just region-based and that those loans are based on ability to repay, not collateral," Rounds said. "Those loans can get travel agents back on their feet and can get America moving again."

Loren Allred, a Wyoming Association of Conservation Districts boardmember, questioned the "enforcement tac-

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tics" of some federal agencies such as the EPA, especially concerning new proposed regulations for concentrated animal feedlot operations.

"I'm increasingly concerned about pressure from the EPA on Wyoming's Department of Environmental Quality (DEQ) for on-site inventories of family-owned producers," he said.

"We should invest in locally-driven, voluntary approaches to achieve outcomes," Allred said. "Federal resources that are used for EPA covert operations should instead be invested in conservation programs ... the same goal could be met with much less animosity being created."

Wyoming Stockgrowers Association executive vice president Jim Magagna told the hearing that Wyoming ranchers are feeling the impact from the federal government's decision last year to redo an environmental study of the Jack Morrow Hills Coordinated Activity Plan (CAP). The plan outlines the parameters for oil and gas development in the Jack Morrow Hills area of the Red Desert in southwest Wyoming.

He noted there is now no management plan for grazing in effect in the area until the BLM's new plan can be completed.

"That could be five or seven years from now, with appeals, and (in the meantime) grazing decisions have been put on hold," Magagna said. "We're operating under no plan ... we don't have an appealable decision and we're all suffering economic impacts as a result."