April 3, 2017

The Honorable James Lankford
Chairman
Subcommittee on Regulatory Affairs and Federal Management
Committee on Homeland Security and Governmental Affairs
U.S. Senate
Washington, DC 20510

Dear Chairman Lankford:

We are writing to express our support for S. 584, the Small Business Regulatory Flexibility Improvements Act. This legislation would reform the regulatory process to ensure that all federal agencies appropriately consider the impact of their rules on small businesses across America. As a result, federal agencies would issue smarter regulations that minimize inefficiencies and unnecessary burdens while still protecting public health, worker safety and the environment.

Small businesses are the backbone of the nation’s economy. According to the U.S. Census Bureau, there were over 28.8 million small businesses in 2013 employing 57 million workers, almost half of all private sector employees. These firms are responsible for about 60 percent of all net new jobs from 2010 through 2013, yet they are disproportionately impacted by compliance burdens associated with regulation. Small businesses with less than 50 employees pay $11,724 per employee per year in regulatory compliance. For small manufacturers, the compliance cost per employee triples to $34,671. The ability of small businesses to operate efficiently and free of unnecessary regulatory burdens is critical for competing and creating jobs. The Act directly addresses that small business challenge.

S. 584 would improve and modernize the Regulatory Flexibility Act (RFA), a 1980 law that requires federal agencies to transparently account for the impact of regulation on small businesses. However, each agency interprets important terms in the existing statute in widely divergent ways and is able to avoid the RFA’s requirements as Congress intended. This bill would streamline and make uniform those determinations of when the RFA would apply to a rule.

Despite limited adherence by federal agencies to the RFA’s provisions, the RFA has yielded billions in savings for small businesses. In fiscal year 2016, the U.S. Small Business Administration’s Office of Advocacy reported compliance cost savings of $1.4 billion for small businesses. The office has saved businesses cumulatively $130 billion in regulatory costs since it began tracking regulatory cost savings in 1998. These savings were derived from a small number of regulatory alternatives that were less costly to small businesses. If all federal rules with small business impacts included the type of analysis required by this legislation, the savings could be significantly higher and our regulatory system could more efficiently meet our objectives.
Many rules that have significant impacts on small entities are not covered by the RFA because the small businesses adversely impacted are not directly regulated entities. The Act would require agencies to consider the true impact of their rules on the regulated community. It also would give the Office of Advocacy additional authorities to ensure agencies appropriately conducting a regulatory flexibility analysis during the rulemaking process. S. 584 improves transparency and ensures that agencies thoughtfully consider the impact of regulations on small businesses.

The organizations represented on this letter cover virtually every sector of the small business community. The Small Business Regulatory Flexibility Improvements Act would help alleviate unnecessary regulatory burdens placed on small businesses. We urge Congress to pass this commonsense legislation.

Sincerely,

Aeronautical Repair Station Association
Agricultural & Food Transporters Conference
Agricultural Retailers Association
Air-Conditioning, Heating, & Refrigeration Institute
Alabama Forestry Association
Alaska Chamber
American Apparel & Footwear Association
American Architectural Manufacturers Association
American Bakers Association
American Beverage Association
American Bus Association
American Cleaning Institute
American Coke and Coal Chemicals Institute
American Composites Manufacturers Association
American Council of Engineering Companies
American Dental Association
American Feed Industry Association
American Fiber Manufacturers Association
American Forest & Paper Association
American Foundry Society
American Frozen Food Institute
American Home Furnishings Alliance
American Lighting Association
American Loggers Council
American Moving & Storage Association
American Rental Association
American Road & Transportation Builders Association
American Society of Travel Agents
American Supply Association
American Wire Producers Association
American Wood Council
AmericanHort
America's SBDCs
AMT - The Association For Manufacturing Technology
The Art and Creative Materials Institute, Inc.
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Associated Industries of Massachusetts
Associated Oregon Industries
Association of Equipment Manufacturers
Association of Washington Business
Auto Care Association
Brick Industry Association
Business and Industry Association of New Hampshire
Business Council of Alabama
California Manufacturers & Technology Association
Color Pigments Manufacturers Association
Colorado Association of Commerce & Industry (CACI), the state Chamber of Commerce
Concrete Reinforcing Steel Institute
Consumer Specialty Products Association
Consumer Technology Association
Corn Refiners Association
Council of Industrial Boiler Owners
Council of Industry of Southeastern New York
Council of Producers & Distributors of Agrotechnology
Fabricators and Manufacturers Association, International
Fashion Jewelry & Accessories Trade Association
The Fertilizer Institute
Flexible Packaging Association
Food Marketing Institute
Forest Resources Association
Forging Industry Association
Foundry Association of Michigan
Georgia Association of Manufacturers
Glass Packaging Institute
Global Cold Chain Alliance
Greater North Dakota Chamber
Grocery Manufacturers Association
Halloween Industry Association
The Hardwood Federation
Hearth, Patio & Barbecue Association
Heating, Air-conditioning & Refrigeration Distributors International (HARDI)
INDA, Association of the Nonwoven Fabrics Industry
Independent Bakers Association
Independent Lubricant Manufacturers Association
Indiana Cast Metals Association
Industrial Fasteners Institute
Industrial Minerals Association - North America
Institute of Makers of Explosives
Institute of Scrap Recycling Industries, Inc.
Interlocking Concrete Pavement Institute
International Foodservice Distributors Association
International Franchise Association
International Housewares Association
International Sleep Products Association
Iowa Association of Business and Industry
IPC - Association Connecting Electronics Industries
Job Creators Network
Juvenile Products Manufacturers Association
Kitchen Cabinet Manufacturers Association
Louisiana Association of Business and Industry
Lynchburg Regional Business Alliance
Mason Contractors Association of America
Metal Powder Industries Federation
Metalcasters of Minnesota
Metals Service Center Institute
Michigan Manufacturers Association
Missouri Association of Manufacturers
Montana Chamber of Commerce
Montana Manufacturing Association
Motor & Equipment Manufacturers Association
Motorcycle Industry Council
National Association for Surface Finishing
National Association of Chemical Distributors
National Association of Federally-Insured Credit Unions
National Association of Manufacturers
National Association of the Remodeling Industry
National Club Association
National Concrete Masonry Association
National Confectioners Association
National Council of Chain Restaurants
National Council of Textile Organizations
National Electrical Manufacturers Association (NEMA)
National Federation of Independent Business
National Grain and Feed Association
National Grocers Association
National Lumber and Building Material Dealers Association
National Marine Manufacturers Association
National Mining Association
National Oilseed Processors Association
National Pork Producers Council
National Precast Concrete Association
National Ready Mixed Concrete Association (NRMCA)
National Renderers Association
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National Rural Electric Cooperative Association
National Shooting Sports Foundation
National Small Business Association
National Stone, Sand, and Gravel Association
National Tooling & Machining Association
National Utility Contractors Association
Nebraska Chamber of Commerce & Industry
Nevada Manufacturers Association
New Mexico Business Coalition
Non-Ferrous Founders’ Society
North American Die Casting Association
North Carolina Chamber
Northeast Pennsylvania Manufacturers & Employers Association
NTCA—The Rural Broadband Association
Ohio Cast Metals Association
Ohio Manufacturers’ Association
Owner-Operator Independent Drivers Association
Pennsylvania Foundry Association
Pennsylvania Manufacturers’ Association
Petroleum Marketers Association of America
Plastic Pipe and Fittings Association
Plastics Industry Association
Precision Machined Products Association
Precision Metalforming Association
Rhode Island Manufacturing Association
SC Timber Producers Association
Secondary Materials and Recycled Textiles Association (SMART)
Small Business & Entrepreneurship Council
Small Business Council of America (SBCA)
Small Business Legislative Council (SBLC)
SNAC International
Society for Human Resource Management
Society of Chemical Manufacturers and Affiliates (SOCMA)
Southeastern Lumber Manufacturers Association
Southwest Idaho Manufacturers’ Alliance
Specialty Tools & Fasteners Distributors Association
State Chamber of Oklahoma
STI/SPFA
The Technology and Manufacturing Association
Tennessee Chamber of Commerce & Industry
Texas Association of Business
Texas Association of Manufacturers
Texas Cast Metals Association
Toy Industry Association
Transportation Intermediaries Association (TIA)
Treated Wood Council
TRSA - The Linen, Uniform and Facility Services Association

Truck Renting and Leasing Association
U.S. Chamber of Commerce
Utah Manufacturers Association
Vinyl Institute
Virginia Manufacturers Association
West Virginia Manufacturers Association
Window and Door Manufacturers Association
Wisconsin Cast Metals Association
Wisconsin Manufacturers & Commerce
Women Impacting Public Policy