July 30, 2013

Dear Representative:

We are writing to express our support for H.R. 2542, the Regulatory Flexibility Improvements Act of 2013. This bipartisan legislation would reform the regulatory process to ensure that all federal agencies appropriately consider the impact of their rules on small businesses across America. In the 112th Congress, the Regulatory Flexibility Improvements Act of 2011 passed the House of Representatives with meaningful bipartisan support.

Small businesses are the backbone of the nation’s economy, and their ability to operate efficiently and free of unnecessary regulatory burdens is critical for our country’s economic recovery. According to the U.S. Census Bureau, these companies employ over half of all private sector employees and are responsible for 64 percent of net new jobs over the last 15 years, yet they are disproportionately impacted by compliance burdens associated with regulation. The Regulatory Flexibility Improvements Act directly addresses that small business challenge.

H.R. 2542 would improve and modernize the Regulatory Flexibility Act (RFA), a three decades-old law that requires federal agencies to transparently account for the impact of regulation on small businesses. However, each agency interprets important terms in the statute in widely divergent ways and is often able to avoid many of the RFA’s requirements. This bill would streamline and make uniform those determinations of when the RFA would apply to a rule.

When properly followed, the RFA works. In fiscal year 2012, the U.S. Small Business Administration’s Office of Advocacy reported first year compliance savings of $2.4 billion for small businesses. In fiscal year 2011, the first year compliance savings were $11.7 billion. These savings were derived from just a few agencies considering alternatives to their proposed rules that were less costly to small businesses. If all federal agencies did the type of analysis required by this legislation, the savings could be significantly higher.

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. This commonsense legislation requires agencies to consider the true impact of their rules on the regulated community. It also gives the Office of Advocacy additional authorities and requires the office to establish standards for conducting a “regulatory flexibility analysis” during the rulemaking process. It improves transparency and ensures that agencies thoughtfully consider the impact of regulations on small businesses.

In addition, H.R. 2542 buttresses President Barack Obama’s 2011 Executive Order on regulatory review by strengthening the RFA’s “look back” requirements when rules impact small business. The President’s order also requires agencies to seek advanced stakeholder input before proposing rules. H.R. 2542 would expand early stakeholder input through the use of the small business panel process for all rules covered by the RFA.
The industries represented on this letter cover virtually every sector of the small business community. H.R. 2542 would help alleviate regulatory burdens placed on small businesses while allowing agencies to meet their obligations for public health, safety and the environment. We urge your support for this commonsense bipartisan legislation.

Sincerely,

American Apparel & Footwear Association
American Beverage Association
American Cleaning Institute
American Coatings Association
American Composites Manufacturers Association
American Dental Association
American Farm Bureau Federation
American Forest & Paper Association
American Foundry Society
American Highway Users Alliance
American Home Furnishings Alliance
American Loggers Council
American Road & Transportation Builders Association
American Sportfishing Association
American Trucking Associations
American Wire Producers Association
The Art and Creative Materials Institute, Inc.
Associated Builders and Contractors
Associated Industries of Massachusetts
Associated Oregon Industries
Association of Equipment Manufacturers
Automotive Recyclers Association
Brick Industry Association
Business Council of Alabama
California Manufacturers & Technology Association
Can Manufacturers Institute
Chemical Coaters Association International
Colorado Association of Commerce and Industry
Consumer Electronics Association
Consumer Specialty Products Association
Council of Industry
Craft & Hobby Association
Fibre Box Association
Food Marketing Institute
Forest Resources Association
Forging Industry Association
Greater North Dakota Chamber
Grocery Manufacturers Association
Halloween Industry Association
The Hardwood Federation
Hearth, Patio and Barbecue Association
Illinois Manufacturers’ Association
INDA, Association of the Nonwoven Fabrics Industry
Independent Community Bankers of America
Independent Petroleum Association of America
Indiana Manufacturers Association
Industrial Fasteners Institute
Industrial Heating Equipment Association
Industrial Minerals Association - North America
Interlocking Concrete Pavement Institute
International Dairy Foods Association
International Housewares Association
International Sign Association
Iowa Association of Business and Industry
IPC - Association Connecting Electronics Industries
Juvenile Products Manufacturers Association
Kitchen Cabinet Manufacturers Association
Lignite Energy Council
Louisiana Association of Business and Industry
Mason Contractors Association of America
Metal Powder Industries Federation
Metals Service Center Institute
Michigan Forest Products Council
Mississippi Manufacturers Association
Missouri Association of Manufacturers
Montana Chamber of Commerce
Motor & Equipment Manufacturers Association
Motorcycle Industry Council
National Association for Surface Finishing
National Association of Home Builders
National Association of Manufacturers
National Association of the Remodeling Industry
National Automatic Merchandising Association
National Council of Chain Restaurants
National Council of Textile Organizations
National Electrical Manufacturers Association
National Federation of Independent Business
National Lumber and Building Material Dealers Association
National Marine Manufacturers Association
National Mining Association
National Ready Mixed Concrete Association
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National Shooting Sports Foundation
National Stone, Sand & Gravel Association
National Tooling and Machining Association
National Wooden Pallet & Container Association
Nebraska Chamber of Commerce & Industry
Nevada Manufacturers Association
Non-Ferrous Founders’ Society
North Carolina Chamber
Northeast Pennsylvania Manufacturers and Employers Association
Ohio Manufacturers’ Association
Owner-Operator Independent Drivers Association
Pennsylvania Manufacturers’ Association
Precision Machined Products Association
Precision Metalforming Association
Professional Landcare Network
Secondary Materials and Recycled Textiles Association
Security Industry Association
Snack Food Association
Society of Chemical Manufacturers and Affiliates
Society of Glass and Ceramic Decorated Products
South Carolina Chamber of Commerce
South Carolina Timber Producers Association
Southeastern Lumber Manufacturers Association
Southern Pressure Treaters’ Association
SPI: The Plastics Industry Trade Association
Spring Manufacturers Institute
State Chamber of Oklahoma
Tennessee Chamber of Commerce & Industry
Texas Association of Business
Textile Rental Services Association
Toy Industry Association
Transportation Intermediaries Association
Treated Wood Council
Truck Renting and Leasing Association
U.S. Chamber of Commerce
Utah Manufacturers Association
West Virginia Manufacturers Association
Window and Door Manufacturers Association
Wisconsin Manufacturers & Commerce