

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	INDA, Association of the Nonwoven Fabrics Industry
Business and Industry Association of New Hampshire	Independent Bakers Association
Business Council of Alabama	Independent Lubricant Manufacturers Association
California Manufacturers & Technology Association	Indiana Cast Metals Association
Color Pigments Manufacturers Association	Industrial Fasteners Institute
Colorado Association of Commerce & Industry (CACI), the state Chamber of Commerce	Industrial Minerals Association - North America
Concrete Reinforcing Steel Institute	Institute of Makers of Explosives
Consumer Specialty Products Association	Institute of Scrap Recycling Industries, Inc.
Consumer Technology Association	Interlocking Concrete Pavement Institute
Corn Refiners Association	International Foodservice Distributors Association
Council of Industrial Boiler Owners	International Franchise Association
Council of Industry of Southeastern New York	International Housewares Association
Council of Producers & Distributors of Agrotechnology	International Sleep Products Association
Fabricators and Manufacturers Association, International	Iowa Association of Business and Industry
Fashion Jewelry & Accessories Trade Association	IPC - Association Connecting Electronics Industries
The Fertilizer Institute	Job Creators Network
Flexible Packaging Association	Juvenile Products Manufacturers Association
Food Marketing Institute	Kitchen Cabinet Manufacturers Association
Forest Resources Association	Louisiana Association of Business and Industry
Forging Industry Association	Lynchburg Regional Business Alliance
Foundry Association of Michigan	Mason Contractors Association of America
Georgia Association of Manufacturers	Metal Powder Industries Federation
Glass Packaging Institute	Metalcasters of Minnesota
Global Cold Chain Alliance	Metals Service Center Institute
Greater North Dakota Chamber	Michigan Manufacturers Association
Grocery Manufacturers Association	Missouri Association of Manufacturers
Halloween Industry Association	Montana Chamber of Commerce
The Hardwood Federation	Montana Manufacturing Association
Hearth, Patio & Barbecue Association	Motor & Equipment Manufacturers Association
Heating, Air-conditioning & Refrigeration Distributors International (HARDI)	Motorcycle Industry Council
	National Association for Surface Finishing

National Association of Chemical Distributors	Nebraska Chamber of Commerce & Industry
National Association of Federally-Insured Credit Unions	Nevada Manufacturers Association
National Association of Manufacturers	New Mexico Business Coalition
National Association of the Remodeling Industry	Non-Ferrous Founders' Society
National Club Association	North American Die Casting Association
National Concrete Masonry Association	North Carolina Chamber
National Confectioners Association	Northeast Pennsylvania Manufacturers & Employers Association
National Council of Chain Restaurants	NTCA–The Rural Broadband Association
National Council of Textile Organizations	Ohio Cast Metals Association
National Electrical Manufacturers Association (NEMA)	Ohio Manufacturers' Association
National Federation of Independent Business	Owner-Operator Independent Drivers Association
National Grain and Feed Association	Pennsylvania Foundry Association
National Grocers Association	Pennsylvania Manufacturers' Association
National Lumber and Building Material Dealers Association	Petroleum Marketers Association of America
National Marine Manufacturers Association	Plastic Pipe and Fittings Association
National Mining Association	Plastics Industry Association
National Oilseed Processors Association	Precision Machined Products Association
National Pork Producers Council	Precision Metalforming Association
National Precast Concrete Association	Rhode Island Manufacturing Association
National Ready Mixed Concrete Association (NRMCA)	SC Timber Producers Association
National Renderers Association	Secondary Materials and Recycled Textiles Association (SMART)
National Restaurant Association	Small Business & Entrepreneurship Council
National Retail Federation	Small Business Council of America (SBCA)
National Roofing Contractors Association	Small Business Legislative Council (SBLC)
National Rural Electric Cooperative Association	SNAC International
National Shooting Sports Foundation	Society for Human Resource Management
National Small Business Association	Society of Chemical Manufacturers and Affiliates (SOCMA)
National Stone, Sand, and Gravel Association	Southeastern Lumber Manufacturers Association
National Tooling & Machining Association	Southwest Idaho Manufacturers' Alliance
National Utility Contractors Association	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