



January 9, 2017

Dear Representative,

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I am writing in support of H.R. 5, *the Regulatory Accountability Act of 2017*. This legislation includes two key titles, Title III and Title I, which establish strong protections to help ensure that federal agencies fully consider the impact of proposed regulations on small businesses and modernizes the more than 70-year-old Administrative Procedure Act. **H.R. 5 will be considered an NFIB Key Vote for the 115th Congress.**

Excessive and complex regulatory burdens continue to be a hardship for many small business owners across America. In NFIB's most recent *Small Business Economic Trends* survey, "government regulations and red tape" ranked as the second-most frequent answer when NFIB members were asked to identify the single most important issue facing their small business. Nearly one in five respondents cited regulations as the biggest problem. Small businesses need regulatory reform to ensure that future regulatory actions will accurately reflect a rule's cost on the economy, and provide certainty that agencies will choose the least-costly regulatory option that meets statutory goals.

To address this regulatory burden on small businesses, H.R. 5 includes Title III, *the Small Business Regulatory Flexibility Improvements Act*, which strengthens the Regulatory Flexibility Act (RFA) by forcing government regulators to include the indirect impact of their regulations in their assessments of any regulation's impact on small businesses. This legislation also gives small businesses a greater voice in the rulemaking process by expanding the small business advocacy review panel process to all agencies. Currently, the panels only apply to the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Financial Protection Bureau.

Further, H.R. 5 strengthens several other aspects of the RFA – such as clarifying the standard for periodic review of rules by federal agencies and giving the SBA Office of Advocacy increased input into agency compliance with the RFA. These important protections are needed to prevent duplicative and outdated regulatory burdens as well as to address penalty structures that may be too high for the small business sector.

In addition to strengthening the RFA, Title I of H.R. 5, *the Regulatory Accountability Act*, increases public participation in shaping the costliest proposed regulations. This legislation requires agencies to choose the least costly option unless they can demonstrate a need to protect public health, safety, or welfare. H.R. 5 provides for on-the-record administrative hearings for the costliest regulations to ensure that agencies properly review and test their data.

Titles III and I of H.R. 5 take critical steps towards reducing the undue costs of regulation associated with starting and operating a small business. **NFIB strongly supports passage of H.R. 5 and will consider it an NFIB Key Vote for the 115th Congress.** We look forward to working with you to protect small businesses as the 115th Congress moves forward.

Sincerely,

A handwritten signature in black ink that reads "Juanita D. Duggan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Juanita D. Duggan
President & CEO
NFIB