



March 9, 2017

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

Dear Chairman Lankford,

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I am writing in support of *the Small Business Regulatory Flexibility Improvements Act of 2017*. This legislation puts into place strong protections to ensure that federal agencies fully consider the impact of proposed regulations on small businesses.

In an economy where two-thirds of all net new jobs come from the small business sector, we appreciate that this legislation would require regulators to analyze further the impact of certain proposals on job creation. As you well know, the annual cost of federal regulation per employee is significantly higher for smaller firms than larger firms. Federal regulations – not to mention state and local regulations – add up and significantly increase the cost of starting and running a small business.

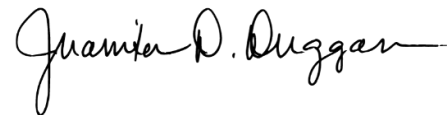
*The Small Business Regulatory Flexibility Improvements Act of 2017* expands the scope of the Regulatory Flexibility Act (RFA) by forcing government regulators to include the indirect impact of their regulations in their assessments of a regulation's impact on small businesses. The bill also provides small business with expanded judicial review protections, which helps ensure that small businesses have their views heard during the federal rulemaking process, not after.

The legislation also strengthens several other aspects of the RFA – such as 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. These panels have proven to be an extremely effective mechanism in helping agencies to understand how their rules will affect small businesses, and help agencies identify less costly alternatives to regulations before proposing new rules.

Finally, *the Small Business Regulatory Flexibility Improvements Act of 2017* expands the standard for periodic review of rules by federal agencies and gives the U.S. Small Business Administration's 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 are too high for the small business sector.

*The Small Business Regulatory Flexibility Improvements Act* is an important piece of legislation that would provide a smarter rulemaking process for American small businesses. We look forward to working with you to enact this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Juanita D. Duggan". The signature is written in a cursive style with a horizontal line at the end.

Juanita D. Duggan  
President and CEO  
NFIB