

TESTIMONY BEFORE THE UNITED STATES CONGRESS  
ON BEHALF OF THE  
**NATIONAL FEDERATION OF INDEPENDENT BUSINESS**



Statement of Elden Johnson  
Owner, Elden Johnson Transportation

**United States House of Representatives  
Committee on Small Business**

The Golden Age: Unleashing Main Street Through  
Deregulation

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National Federation of Independent Business  
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Chairman Williams, Ranking Member Velazquez, and members of the House Small Business Committee,

Thank you for the opportunity to testify today on behalf of the millions of small business owners across America. My name is Elden Johnson, and I am the owner of Elden Johnson Transportation in Rush City, Minnesota. I appreciate the opportunity to participate in today's hearing on the impact of regulations on small businesses.

Over the last 4 years, small businesses like mine have faced unprecedented challenges, including COVID shutdowns, supply chain disruption, historic inflation, a burdensome regulatory environment, and systemic workforce shortages. These major challenges have fueled uncertainty and reduced small businesses' optimism.

One major headwind for small businesses is the unprecedented regulatory burden accumulated over the last four years. In fact, between 2021 and 2024, small businesses experienced a regulatory tsunami that added \$1.8 trillion of regulatory compliance costs and 356 million paperwork hours to the private sector.<sup>1</sup>

These compliance costs disproportionately impact small businesses like mine. I do not have a compliance officer or lawyer to navigate complex laws and regulations. Those responsibilities, and many others, fall on me as the business owner. It is cumbersome and exhausting. For some, it is too much to bear and the accumulated layers of red tape force businesses to close their doors forever.

Following the 2024 election, small business optimism surged, reaching the highest point since October 2018.<sup>2</sup> Small businesses saw the election results as a major shift to the nation's economic and regulatory policy and a more pro-business environment would provide opportunities for growth and business expansion.

Although small businesses remain optimistic, there are warning signs on the horizon. Small businesses see the expiration of key provisions of the 2017 *Tax Cuts and Jobs Act* and are concerned with the uncertainty from a massive tax hike at the end of this year.

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<sup>1</sup> Dan Goldbeck, *Week In Regulation, The Final Week of Biden*, American Action Forum, January 21, 2025, <https://www.americanactionforum.org/week-in-regulation/the-final-week-of-biden/>.

<sup>2</sup> The Small Business Optimism Index rose 3.4 points to 105.1 in December, the highest since October 2018, NFIB, January 14, 2025, <https://www.nfib.com/news-article/optimism-index-reaches-six-year-high-as-inflation-remains-top-concern/>.

Specifically, the expiration of the 20% Small Business Deduction (“Section 199A”), creates the threat of a massive tax increase on 9 out of 10 small businesses in less than 9 months.

My business is a testament to the importance of the small business deduction. In fact, the savings from the deduction helped my company purchase new equipment, which has fueled business expansion. If the small business deduction goes away, I will be forced to make tough decisions that will affect not only my business investment and growth but also will have a ripple effect that will impact my workers and my community. Congress must get this done and provide small businesses tax certainty by passing H.R. 703, the *Main Street Tax Certainty Act*.

In addition to tax uncertainty, the onerous regulatory environment over the last four years has laid a wet blanket over the economy. In the below sections, I will focus on burdensome regulations that have affected my business and many small businesses across the country.

### **Environmental Protection Agency (EPA) Regulations**

The EPA has been one of the more prolific regulators over the last four years. Specifically, the EPA has imposed onerous emissions and fuel economy standards that would create de facto electric vehicle mandates. I live in Northern Minnesota and my business often transports loads to and through rural areas. There is no infrastructure, nor do truckers have hours to wait for the electric batteries on trucks to charge. These regulations are simply unworkable and would cripple the transportation and logistics industries. The de facto electric vehicle mandate would close my business, and many other businesses nationwide.

### **Federal Motor Carrier Safety Administration (FMCSA) Regulations**

The FMCSA has proposed regulations to require speed limiter technology installed in commercial motor vehicles. Although such a proposal is well-intentioned, it is a one-size-fits-all approach that will make our roadways less efficient, slow commerce, and potentially make roads less safe. This mandate should be rejected.

Another well-intentioned rule requires motor carriers and drivers to maintain hours-of-service records on electronic logging devices. These electronic logs cost small

businesses thousands of dollars per year and create arbitrary restrictions on professional drivers. This is another one-size-fits-all regulation that ignores reality. The federal government cannot legislate sleep. It cannot turn the human mind on or off. Under this rule, a driver who maxes out service hours but cannot fall asleep at night has the same safety profile as someone who maxes out their service hours and gets 10 hours of sleep a night. The rule also ignores the simple reality that truck drivers have families they want to return home safely too. Our safety and the safety of others on the road is our top priority, yet this regulation jeopardizes our safety.

### **Department of Labor (DOL) Regulations**

The DOL's independent contractor rule under the Biden Administration would significantly restrict my ability to hire independent contractors. It would shatter entire industries built on long-standing work arrangements. Instead, the rule would create an arbitrary and confusing new standard. This devastating rule would close my business. Congress must defend the ability of small businesses to hire and classify workers as independent contractors.

### **FinCEN Beneficial Ownership Information (BOI) Requirements**

The FinCEN beneficial ownership requirements would mandate 32.6 million small businesses to register with the federal government, or face penalties of up to \$10,000 and 2 years in prison. On March 2<sup>nd</sup>, President Trump announced Treasury would not enforce the requirement, calling the mandate outrageous, invasive, and an economic menace.<sup>3</sup> Many small business owners are rightfully concerned with the privacy of their information, especially on this FinCEN database. Congress must provide small businesses long-term relief by repealing this unconstitutional and intrusive small business mandate with H.R. 425, the *Repealing Big Brother Overreach Act*. Congress and the administration must also destroy the database that holds the information of U.S. small businesses who already filed their beneficial ownership information.

### **Congress Must Enact Pro-Growth Regulatory Reform**

In 1980, Congress and President Carter enacted the Regulatory Flexibility Act (RFA) to reduce the disproportionate impact of burdensome regulations on small businesses.

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<sup>3</sup> <https://truthsocial.com/@realDonaldTrump/posts/114096106742782827>

The RFA requires federal agencies to analyze the impact their regulatory actions will have on small entities and to consider less burdensome alternatives when the regulation will affect a substantial number of small entities.

However, in the 40-plus years since the RFA became law, agencies have found ways to disregard or bypass many of the RFA's requirements. In 2023, NFIB's Small Business Legal Center analyzed the Small Business Administration (SBA) Office of Advocacy's comment letters to federal agencies from January 2021 to January 2023 and found significant noncompliance with the RFA.<sup>4</sup>

The last four years have demonstrated the need for Congress to get serious about reigning overzealous government regulators and onerous regulatory burdens. One way to do so is for Congress to enact much-needed regulatory protections for small businesses, such as H.R. 1163, the *Prove It Act of 2025*.

Congress could also consider H.R. 4458 from the 110<sup>th</sup> Congress.<sup>5</sup> This bill, the *Small Business Regulatory Improvement Act* was introduced by Rep. Brad Ellsworth and cosponsored by Reps. Nydia Velazquez, Yvette Clarke, Henry Cuellar, Mazie Hirono, Hank Johnson, Gwen Moore, among others. Like the *Prove It Act*, H.R. 4458 would require agencies to consider the direct and indirect economic effects of regulations on small entities and increase the role of the Chief Counsel for Advocacy in the rulemaking process.

These proposals should be a starting point for Congress. Alternatively, Congress could empower the Office of Advocacy to approve every final rule as complying with the RFA before the final rule takes effect. Congress could also require agencies to not only consider less burdensome regulatory alternatives for small businesses but to promulgate the less burdensome alternatives.

The RFA is a bipartisan success story. Not only was it unanimously approved and signed into law by a Democrat-led Congress and Democrat President, but Republicans and Democrats have introduced legislation to ensure federal agencies are fulfilling the intent of the RFA. Small business owners do not care who gets the political credit, we

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<sup>4</sup> Rob Smith, *The Regulatory Flexibility Act: Turning a Paper Tiger Into a Legitimate Constraint on One-Size-Fits-All Agency Rulemaking*, National Federation of Independent Business Small Business Legal Center, May 2023, <https://strgnfibcom.blob.core.windows.net/nfibcom/NFIB-RFA-White-paper.pdf>.

<sup>5</sup> <https://www.congress.gov/bill/110th-congress/house-bill/4458/cosponsors>

just want solutions—less red tape, fewer onerous regulatory burdens, and common sense in our regulatory environment.

## Conclusion

Small businesses are optimistic that the Trump Administration and Congress will deliver pro-growth economic policies. However, doing so requires Congress to roll up its sleeves and get dirty. It must reduce agency budgets to rein in overzealous regulators who have abused their authority. It must eliminate vague statutes—like the Corporate Transparency Act—that allow eager federal agencies opportunities to expand their regulatory tentacles. It must eliminate one-size-fits-all regulations that disproportionately impact small businesses but also have unintended consequences to public safety or the environment. Most importantly, Washington must provide small businesses with economic certainty that taxes will not increase at the end of 2025 and that this and future administrations will not impose massive new regulatory burdens. This certainty will give small businesses like mine the comfort to expand, hire new workers, or increase the benefits we can offer to our workers.

Thank you for the opportunity to discuss the impact of burdensome regulations on small businesses and I look forward to your questions.