

February 11, 2026

The Honorable Steve Scalise
Majority Leader
House of Representatives
266 Cannon House Office Building
Washington, DC 20515

Dear Majority Leader Scalise,

On behalf of millions of small businesses across the country, we write to thank you for prioritizing legislation to provide regulatory relief and red tape for small businesses. We urge the House of Representatives to pass legislation, such as H.R. 1163 the *Prove It Act of 2025*, to strengthen the Regulatory Flexibility Act (RFA) and ensure the intent of the law is fulfilled.

Small businesses were forced to deal with a tsunami of new regulations coming from Washington, D.C. over four years under the Biden Administration. In one four-year term, the Biden Administration finalized an unprecedented \$1.8 trillion in new regulatory compliance costs and added 356 million in paperwork hours.¹ These burdens fall disproportionately on small businesses that do not have lawyers and compliance officers to navigate complex regulatory issues.

Thankfully, the Trump Administration's regulatory agenda has taken account of the disproportionate impact on small businesses, as bipartisan administrations have done in the past. In 2025, there has been a \$128.5 billion reduction in regulatory compliance costs and nearly a 51 million reduction in paperwork hours.² This commonsense approach is a much-needed sigh of relief for small businesses who have been crushed by federal overregulation and overreach into their businesses' operations. However, without Congressional action, this relief will only be short term, and small businesses will suffer from the regulatory pendulum swings that make long-term planning and investments so difficult.

In 1980, President Carter and Congress recognized the disproportionate impact federal regulations have on small businesses and unanimously approved the Regulatory Flexibility Act (RFA). The RFA sought to minimize regulatory burdens on small businesses. However, in the 45 years since the RFA became law, agencies have found ways to disregard or avoid many of the requirements.

¹ Dan Goldbeck, The Biden Regulatory Record, American Action Forum, January 29, 2025, <https://www.americanactionforum.org/insight/the-biden-regulatory-record/>.

² Dan Goldbeck, Another Light Week, but with some Executive Orders, December 19, 2025, American Action Forum, <https://www.americanactionforum.org/week-in-regulation/another-light-week-but-with-some-executive-orders/>.

In 2023, NFIB 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.³ The Office of Advocacy highlighted 28 instances where agencies failed to adequately examine the economic costs of regulations and noted that agencies often improperly certify that rules will not have a significant impact on a substantial number of small entities. By doing so, agencies disregard the intent of the RFA, leaving small businesses subject to the one-size-fits-all regulatory environment the RFA sought to remedy. In 2024, the House Small Business Committee conducted a staff report examining agency compliance with the RFA and similarly found that most agencies are failing to properly comply with the RFA's requirements and live up the spirit of the law.⁴

Just recently, the SBA Office of Advocacy published its own report on agency noncompliance with the RFA and published an agency-by-agency report card on compliance with the law.⁵ Like the NFIB and House Small Business Committee reports, the Office of Advocacy's report found widespread agency noncompliance with the requirements of the RFA. Further the Office of Advocacy report proposes policy options to reduce agency noncompliance, one being H.R. 1163 the *Prove It Act of 2025*.

The *Prove It Act* has already been passed by the House Judiciary Committee and the House Small Business Committee in the 119th Congress and has previously passed the House of Representatives in 2024. The legislation would increase small business input in the regulatory process and ensure agencies are fully accounting for the impact of regulations on small businesses.

On behalf of millions of small businesses, thank you for your attention to the disproportionate impact of regulations on small businesses. We urge the House of Representatives to swiftly pass long-term solutions to ensure the intent of the RFA is fulfilled through legislation like H.R. 1163 the *Prove It Act of 2025*. We look forward to working with you to reduce regulatory compliance burdens and red tape for small businesses.

Sincerely,

AICC - The Independent Packaging Association
Air Conditioning Contractors of America
Alliance for Chemical Distribution (ACD)

³ 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>.

⁴ House Committee on Small Business Staff Report 2024, *Regulatory Flexibility Act (RFA) Report: Agencies' Noncompliance with the RFA*, May 2024, https://smallbusiness.house.gov/uploadedfiles/05.22.2024_-_house_committee_on_small_business_rfa_report.pdf.

⁵ Dr. Casey Mulligan, *Unlawful Disregard for Small Business Regulatory Burdens: A Comprehensive Review of Biden Administration Rulemaking*, U.S. Small Business Administration Office of Advocacy, January 2026, <https://advocacy.sba.gov/wp-content/uploads/2026/01/Certification-Abuse-final-report.pdf>.

America's SBDC
American Association of Advertising Agencies (4As)
American Bakers Association
American Bankers Association
American Building Materials Alliance
American Craft Spirits Association
American Exploration & Mining Association
American Farm Bureau Federation
American Foundry Society
American Lighting Association
American Mold Builders Association
American Pipeline Contractors Association
American Road & Transportation Builders Association
American Short Line and Regional Railroad Association
American Trucking Associations
Associated Builders and Contractors
Associated Equipment Distributors
Association for Hose and Accessories Distribution
Associated General Contractors of America
Brick Industry Association
Family Business Association of California
Family Business Coalition
Foodservice Equipment Distributors Association
Independent Electrical Contractors
Innovative Lending Platform Association
International Franchise Association
Job Creators Network
Mason Contractors Association of America
Metals Service Center Institute
National Asphalt Pavement Association
National Association of Convenience Stores
National Association of Home Builders
National Association of Insurance and Financial Advisors
National Association of Wholesaler-Distributors
National Automatic Merchandising Association (NAMA)
National Cattlemen's Beef Association
National Demolition Association (NDA)
National Electrical Manufacturers Representatives Association (NEMRA)
National Energy & Fuels Institute
National Federation of Independent Business

National Lumber & Building Material Dealers Association
National Pest Management Association
National Pork Producers Council
National Ready Mixed Concrete Association
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National RV Dealers Assoc (RVDA)
National Small Business Association
National Stone, Sand & Gravel Association (NSSGA)
National Tooling and Machining Association
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
Owner-Operators Independent Drivers Association
Petroleum Equipment Institute (PEI)
Pennsylvania Utility Contractors Association
Plumbing-Heating-Cooling Contractors - National Association
Power & Communication Contractors Association
Public Lands Council
PRINTING United Alliance
Precision Metalforming Association
Plastics Industry Association
Plastics Pipe Institute
Small Business & Entrepreneurship Council
Small Business Legislative Council (SBLC)
Specialty Equipment Market Association (SEMA)
Spray Polyurethane Foam Alliance
Steel Tank Institute/Steel Plate Fabricators Association (STI/SPFA)
Treated Wood Council
U.S. Chamber of Commerce
Window and Door Manufacturers Association
Wyoming Stock Growers Association