



Opening Statement of Chairman Sam Graves
Hearing: “Retrospective Review: Have Existing Burdens on Small Businesses Been Reduced?”
Committee on Small Business
May 8, 2013

Good afternoon. The hearing will come to order.

I want to thank our witnesses for appearing before our Committee today. We look forward to your testimony.

We’re here today to examine the results of a government-wide initiative to review existing red tape. Like an overgrown forest that needs to be thinned periodically, the regulatory system requires regular pruning.

All Presidents since President Carter have directed federal agencies to review regulations. Congress also has ordered agencies to periodically review regulations that have a significant economic impact on a substantial number of small businesses. However, agencies’ past efforts to comply with these mandates have generally been inconsistent and ineffective.

In 2011, President Obama issued Executive Order 13,563 directing federal agencies to create plans for reviewing their existing significant regulations. In 2012, the President issued Executive Order 13,610 which requires agencies to regularly report on the results of the retrospective review efforts. The President also instructed agencies to give special consideration to initiatives that would reduce regulatory burdens on small businesses. With the government-wide regulatory review initiative well into its second year, it is an ideal time to examine the results so far.

Only a limited number of actions have been finalized that provide quantified reductions in cost or paperwork burdens. Some actions will provide meaningful burden reductions for small businesses. Other actions are less significant or make questionable burden reduction estimates.

However, the small number of burden-reducing actions pale in comparison to the fast-growing thicket of red tape. A few recently released reports shine new light on the regulatory burden. According to the Office of Management and Budget, in Fiscal Year 2012, 14 major rules alone imposed an additional \$14.8 to \$19.5 billion in annual costs, which was the costliest year on record for federal regulation. As a point of comparison, there were 6 major rules in Fiscal Year 2003 that imposed only \$1.9 to \$2 billion in annual costs. A more comprehensive tally of 2012 agency regulatory cost estimates found that 539 final rules added \$215 billion in new burdens.

Agencies must do more to reduce overly burdensome and unnecessary red tape and paperwork to ensure that small businesses are able to survive and grow in a competitive global economy. I look forward to hearing from the agency witnesses today on what burdens have been reduced on small businesses as a result of their recent retrospective review efforts.

I now recognize the Ranking Member for her opening statement.