



Opening Statement of Chairman Sam Graves
“Reducing Red Tape: The New OIRA Administrator’s Perspective”
Committee on Small Business
July 24, 2013

Good afternoon. The hearing will come to order.

Today, I am pleased to welcome Howard Shelanski, the new Administrator of the Office of Information and Regulatory Affairs (OIRA). OIRA is charged with the critical role of reviewing significant regulations and overseeing agencies’ review of existing regulations.

Over the last four years, regulatory burdens have increased at an astonishing rate. Major rules alone have added nearly \$70 billion in new regulatory costs. In Fiscal Year 2012, more than 3,800 final rules were issued.

While expanding the regulatory state in an unprecedented way, President Obama has also directed federal agencies to review their existing regulations. He issued two Executive Orders. One in 2011 that required agencies to draft and finalize retrospective review plans. And, another in 2012, that requires federal agencies to produce retrospective review progress reports. Agencies were ordered to give special consideration to initiatives that would reduce regulatory burdens on small businesses.

This makes sense because small businesses are disproportionately burdened by regulatory costs. Furthermore, in survey after survey, small businesses regularly cite concerns about the complexity and burden of red tape. The need to reevaluate our regulatory structure is clear.

Last week *The Washington Post* ran a front-page story on a magician from my home state of Missouri. This magician uses a Netherland dwarf rabbit in his magic shows for kids. The Department of Agriculture has determined that this magician must carry a license for his rabbit, pay an annual fee and submit to surprise inspections of his home. In addition, under a new rule finalized late last year, he is required to have a written plan detailing how he will take care of the rabbit in the event of an emergency or disaster. This rabbit disaster plan, which is being prepared with professional assistance, is 28 pages long so far.

If this story wasn’t on the front page of the newspaper, I would have thought it was a joke. But this is no laughing matter. This kind of story about regulatory overreach is unfortunately all too common. Congress gives regulators an inch and they take a mile. The result is poorly thought out, unnecessary regulations that unduly burden small businesses.

Today, Administrator Shelanski has joined us to discuss agency retrospective review efforts. I look forward to hearing whether agencies' efforts are resulting in meaningful reductions in regulatory burdens, particularly for small businesses. I also look forward to hearing how Mr. Shelanski plans to scrutinize new regulatory proposals to ensure that any negative impacts on small businesses are minimized.

I now recognize the Ranking Member for her opening statement.