



**Opening Statement of
Chairman Sam Graves
House Committee on Small Business
*“Eliminating Job-Sapping Federal Rules through Retrospective Reviews – Oversight of the
President’s Efforts”*
September 21, 2011**

Good afternoon. The hearing will come to order.

On January 18, 2011, the President issued Executive Order 13,563 mandating that agencies review the economic consequences of their existing rules. In this regard, President Obama follows a well-trodden path that started with President Carter and has been followed by each succeeding President.

President Obama, like his predecessors when calling for review of regulations, noted the special importance of small businesses in the economy and the potential adverse consequences of imposing unnecessary and unduly burdensome rules on small businesses. At the same time that he issued Executive Order 13,563, the President also released a memorandum reminding agencies of the importance of assessing the impact of regulations on small business through compliance with the Regulatory Flexibility Act.

Despite these reviews, the Code of Federal Regulations now extends to about 26 linear feet. Of course, this excludes the potentially hundreds of thousands of pages of guidance documents interpreting those 26 linear feet of regulations.

This complexity imposes serious strains on small businesses. They must divert limited management resources from running their businesses to understanding how they must comply with federal regulations. And once they figure out how to comply, they must expend scarce capital on the cost of compliance – be it modifications to facilities or new data systems to maintain records.

Since small businesses represent the bulk of entities subject to regulation and generate most new jobs, I believe that it is appropriate to focus the regulatory review on small businesses.

I will close with the admonition from Albert Einstein that it is easy to make things bigger and more complex but it takes a touch of genius and a lot of courage to move in the opposite direction. I would hope that Administrator Sunstein can provide that touch of genius and courage to reduce the complexity of the federal regulatory system and eliminate unnecessary burdens on small businesses so they can create the jobs that will put Americans back to work.

With that, I now recognize the Ranking Member for her opening statement.