



**Opening Statement of Chairman David Schweikert
Subcommittee on Investigations, Oversight and Regulations
Regulating the Regulators – Reducing Burdens on Small Business
March 14, 2013**

Good morning. I call this hearing to order. I want to thank our witnesses for being here today.

The Regulatory Flexibility Act (RFA) was enacted by Congress in 1980, in response to two overarching concerns: 1) small businesses were being under-represented in the rulemaking process, and 2) small businesses were disproportionately burdened by one-size-fits-all regulations. It is now thirty years later, and federal agencies still fail to fully comply with the RFA's requirements.

This is particularly troubling given the growth of the regulatory state. Each year, federal agencies publish between 3,000 to 4,000 new regulations and many of those rules impose burdens on small businesses. In 2012 alone, the Obama Administration finalized rules that impose an additional \$216 billion in compliance costs. The number of regulations in the pipeline (active, completed, and long-term) affecting small business have exceeded 800 annually in 2010, 2011 and 2012.

The RFA was crafted to ensure that small businesses have the opportunity to participate in the regulatory process and that new federal regulations will not put them at a competitive disadvantage. Under the RFA, federal agencies must analyze the economic impact of their regulations on small business and if the impact is significant, consider alternatives that are less costly for small business. This simple and straightforward approach makes sense, especially as it relates to small businesses, which are critically important to the American economy and have a much harder time absorbing the costs of regulations.

Unfortunately agencies find loopholes in the law, regularly flout its analytical requirements, and generally give short shrift to the RFA. This Committee continues to look for ways to shore up the law and give it more teeth. The Chief Counsel for Advocacy is charged with monitoring agency compliance with the RFA but has little power to enforce the law. This Committee has held numerous hearings on the

subject and heard how agencies use loopholes to avoid complying with the law. When agencies avoid compliance with the RFA, the result is badly designed rules that negatively affect small businesses.

In these challenging economic times, removing the unintended consequences of poorly thought-out regulatory schemes is critically important. Reducing unnecessary burdens on small businesses allows them to focus their time, energy and resources on inventing, producing, competing and creating jobs.

I look forward to hearing from our witnesses today about the Administration's compliance with the RFA and determining what steps need to be taken moving forward to ensure that all agencies are adhering to both the letter and the spirit of the law.

I now yield to our Ranking Member for her opening remarks.