

September 16, 2013

Dear Representative:

We are writing to express our support for H.R. 2542, the Regulatory Flexibility Improvements Act of 2013. This bipartisan legislation would reform the regulatory process to ensure that all federal agencies appropriately consider the impact of their rules on small businesses across America. In the 112th Congress, the Regulatory Flexibility Improvements Act of 2011 passed the House of Representatives with meaningful bipartisan support.

Small businesses are the backbone of the nation's economy, and their ability to operate efficiently and free of unnecessary regulatory burdens is critical for our country's economic recovery. According to the U.S. Census Bureau, these companies employ over half of all private sector employees and are responsible for 64 percent of net new jobs over the last 15 years, yet they are disproportionately impacted by compliance burdens associated with regulation. The Regulatory Flexibility Improvements Act directly addresses that small business challenge.

H.R. 2542 would improve and modernize the Regulatory Flexibility Act (RFA), a three decades-old law that requires federal agencies to transparently account for the impact of regulation on small businesses. However, each agency interprets important terms in the statute in widely divergent ways and is often able to avoid many of the RFA's requirements. This bill would streamline and make uniform those determinations of when the RFA would apply to a rule.

When properly followed, the RFA works. In fiscal year 2012, the U.S. Small Business Administration's Office of Advocacy reported first year compliance savings of \$2.4 billion for small businesses. In fiscal year 2011, the first year compliance savings were \$11.7 billion. These savings were derived from just a few agencies considering alternatives to their proposed rules that were less costly to small businesses. If all federal agencies did the type of analysis required by this legislation, the savings could be significantly higher.

Many rules that have significant impacts on small entities are not covered by the RFA because the small businesses adversely impacted are not directly regulated entities. This commonsense legislation requires agencies to consider the true impact of their rules on the regulated community. It also gives the Office of Advocacy additional authorities and requires the office to establish standards for conducting a "regulatory flexibility analysis" during the rulemaking process. It improves transparency and ensures that agencies thoughtfully consider the impact of regulations on small businesses.

In addition, H.R. 2542 buttresses President Barack Obama's 2011 Executive Order on regulatory review by strengthening the RFA's "look back" requirements when rules impact small business. The President's order also requires agencies to seek advanced stakeholder input before proposing rules. H.R. 2542 would expand early stakeholder input through the use of the small business panel process for all rules covered by the RFA.

The industries represented on this letter cover virtually every sector of the small business community. H.R. 2542 would help alleviate regulatory burdens placed on small businesses while allowing agencies to meet their obligations for public health, safety and the environment. We urge your support for this commonsense bipartisan legislation.

Sincerely,

Air-Conditioning, Heating, and Refrigeration
Institute

American Apparel & Footwear Association

American Beverage Association

American Cleaning Institute

American Coatings Association

American Composites Manufacturers
Association

American Dental Association

American Farm Bureau Federation

American Forest & Paper Association

American Foundry Society

American Highway Users Alliance

American Home Furnishings Alliance

American Loggers Council

American Road & Transportation Builders
Association

American Sportfishing Association

American Trucking Associations

American Wire Producers Association

The Art and Creative Materials Institute, Inc.

Associated Builders and Contractors

Associated Industries of Massachusetts

Associated Oregon Industries

Association of Equipment Manufacturers

Automotive Recyclers Association

Brick Industry Association

Business Council of Alabama

California Manufacturers & Technology
Association

Can Manufacturers Institute

Chemical Coaters Association International

Colorado Association of Commerce and
Industry

Consumer Electronics Association

Consumer Specialty Products Association

Council of Industry

Council of Producers & Distributors of
Agrotechnology

Craft & Hobby Association

Fibre Box Association

Food Marketing Institute

Forest Resources Association

Forging Industry Association

Greater North Dakota Chamber

Grocery Manufacturers Association

Halloween Industry Association

The Hardwood Federation

Hearth, Patio and Barbecue Association

Illinois Manufacturers' Association

INDA, Association of the Nonwoven Fabrics
Industry

Independent Community Bankers of
America

Independent Petroleum Association of
America

Indiana Manufacturers Association

Industrial Fasteners Institute

Industrial Heating Equipment Association

Industrial Minerals Association - North
America

Interlocking Concrete Pavement Institute

International Dairy Foods Association

International Housewares Association

International Sign Association

Iowa Association of Business and Industry

IPC - Association Connecting Electronics
Industries

Juvenile Products Manufacturers
Association

Kitchen Cabinet Manufacturers Association

Lignite Energy Council

Louisiana Association of Business and Industry
Mason Contractors Association of America
Metal Powder Industries Federation
Metals Service Center Institute
Michigan Forest Products Council
Mississippi Manufacturers Association
Missouri Association of Manufacturers
Montana Chamber of Commerce
Motor & Equipment Manufacturers Association
Motorcycle Industry Council
National Association for Surface Finishing
National Association of Home Builders
National Association of Manufacturers
National Association of the Remodeling Industry
National Automatic Merchandising Association
National Council of Chain Restaurants
National Council of Textile Organizations
National Electrical Manufacturers Association
National Federation of Independent Business
National Lumber and Building Material Dealers Association
National Marine Manufacturers Association
National Mining Association
National Ready Mixed Concrete Association
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National Shooting Sports Foundation
National Stone, Sand & Gravel Association
National Tooling and Machining Association
National Wooden Pallet & Container Association
Nebraska Chamber of Commerce & Industry
Nevada Manufacturers Association
Non-Ferrous Founders' Society

North Carolina Chamber
Northeast Pennsylvania Manufacturers and Employers Association
Ohio Manufacturers' Association
Owner-Operator Independent Drivers Association
Pennsylvania Manufacturers' Association
Precision Machined Products Association
Precision Metalforming Association
Professional Landcare Network
Secondary Materials and Recycled Textiles Association
Security Industry Association
Snack Food Association
Society of Chemical Manufacturers and Affiliates
Society of Glass and Ceramic Decorated Products
South Carolina Chamber of Commerce
South Carolina Timber Producers Association
Southeastern Lumber Manufacturers Association
Southern Pressure Treaters' Association
SPI: The Plastics Industry Trade Association
Spring Manufacturers Institute
State Chamber of Oklahoma
Tennessee Chamber of Commerce & Industry
Texas Association of Business
Textile Rental Services Association
Toy Industry Association
Transportation Intermediaries Association
Treated Wood Council
Truck Renting and Leasing Association
U.S. Chamber of Commerce
Utah Manufacturers Association
West Virginia Manufacturers Association
Window and Door Manufacturers Association
Wisconsin Manufacturers & Commerce