

July 30, 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 112<sup>th</sup> 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,

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  
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