

**Opening Statement of
Chairman Steve Chabot
Committee on Small Business
Hearing: “Tangled in Red Tape: New Challenges for Small Manufacturers”**

Good morning. The hearing will come to order.

Over the next hour or so, we are going to talk about federal regulations and our small manufacturers. Regulations are not just words on paper; they impact the way millions of Americans try to earn a living every day. We have always been a nation of makers and builders. That is why American manufacturers, including, and especially small manufacturers, are critically important to the American economy. The term “Made in the USA” is a source of pride for so many people. It is a reminder that if we want, we can build our own future. These days, unfortunately, a lot of people feel they cannot build their own future. It is not for lack of ideas; it is oftentimes because of the burden of federal regulations. I look forward to hearings like this one because it gives us the chance to hear from real people about the real life impact of regulations.

In a survey by the National Association of Manufacturers last year, 88 percent of manufacturers said federal regulations were a significant challenge. When the National Federation of Independent Business (NFIB) surveyed its members, they overwhelmingly responded that “government requirements and red tape” are the biggest problems they face. These are regulations that came out of the federal government in the last month alone. February. The shortest month of the year. How can we expect our small businesses to focus on creating jobs and bringing new ideas to life when odds are something in these pages will have a substantially negative impact on them? And even worse, they likely had no input at all in what these regulations say.

Let me say at the outset, I am not against all federal regulations. I am against dumb federal regulations. That is, for example, why I hope the Senate will soon take up the Small Business Regulatory Flexibility Improvements Act. We passed that bill in the House recently to bring our regulatory system into the 21st century and stop putting small businesses at a competitive disadvantage. The regulatory burdens currently fall most heavily on small businesses, particularly manufacturers like those who are with us today because they have to pay for compliance costs just like their larger competitors but with only a fraction of the resources. The Small Business Regulatory Flexibility Improvements Act would give small businesses the input in the regulatory process they should have had all along. That input cannot come soon enough.

One of the best things about being a member of Congress is that we get to see many perspectives. We talk to small business owners and employees like our witnesses today and we get to see how other countries approach their regulatory process. While many of our international economic competitors are making way for innovative cutting-edge reforms, the United States has changed little about the way it regulates since the 1980s. If we want to remain a global economic leader, we have to modernize. We have to make the small businesses that

provide livelihoods for about half of all American families a part of the solution, not the biggest loser in an economy that desperately needs them to succeed.

Ms. Reichard, Ms. Herschkowitz, and Mr. Anderson, thank you for taking what I know is very valuable time away from your workplaces today to share your stories with us, and Mr. Goodwin, I look forward to hearing your thoughts on the difficulties your fellow witnesses face.

With that, I yield to the ranking member, Ms. Velazquez.