

Strengthen SBA Office of Advocacy

Problem:

The considerable free rein federal agencies have over how to interpret and enforce laws passed by Congress is too often done in a way that harms America's small businesses. While various regulatory reform initiatives have prohibited the enactment of a range of onerous rules and alleviated some of the federal regulatory burden, those reforms are only as strong as the agency dedicated to their enforcement.

- The Office of Advocacy's efforts at monitoring federal agency compliance with the Regulatory Flexibility Act (RFA) resulted in changes to 10 specific rules in 2019 that led to \$773 million in quantifiable small-business regulatory compliance cost savings in FY2019.
- In FY2019—the most recent data available—Advocacy hosted 17 issue roundtables to provide a forum for small businesses to express their concerns with federal regulations. They also held 10 regional roundtables, and 16 small business visits in four states to gain a better understanding of the practical issues small businesses face with regulatory compliance. Throughout 2020, despite the COVID-19 pandemic, Advocacy continued holding virtual events.
- During President Trump's term, the Chief Counsel for Advocacy position at the SBA remained vacant. David Tryon was nominated by President Trump in Oct. 2017 but never received a Senate confirmation vote for more than two years.
- President Biden has nominated Isabel Guzman to lead the SBA and on Feb. 3, 2020 she participated in her confirmation hearing, The Chief Counsel for Advocacy should receive the same expediency.

Solution:

Congress must ensure that it allocates the financial resources required for Advocacy, an office devoted solely to serving America's small businesses, to achieve its far-reaching objectives: providing reliable information about the status and role of small business in the U.S. economy; advocating for small businesses within the federal government's agencies and rule-making processes; and fostering public awareness of small-business contributions and concerns.

- It is critical that Advocacy is fully staffed with a strong and capable leader at its helm—the Chief Counsel for Advocacy plays an invaluable role in guiding Advocacy's operations. This position is especially crucial now, while small businesses are struggling under the ongoing weight of the pandemic.
- Advocacy must be fully funded and afforded appropriate strength within the Administration to ensure that agencies adhere to the Regulatory Flexibility Act, the Small Business Regulatory Enforcement Fairness Act, and the Plain Language Act in determining the true cost of regulations for America's small businesses, as well as ensuring small businesses can understand regulations.
- The Office of Management and Budget and Office of Information and Regulatory Affairs should maintain close contact with the Office of Advocacy and provide strong support in their efforts to ease regulatory burdens.