



July 1, 2015

The Honorable David Vitter  
Chairman  
Committee on Small Business and Entrepreneurship  
U.S. Senate  
516 Hart Senate Office Building  
Washington, D.C. 20510

Dear Chairman Vitter:

On behalf of the National Small Business Association (NSBA), I am pleased to support *S.426, the Small Business Regulatory Flexibility Improvements Act of 2015*. This legislation will modernize and strengthen the *Regulatory Flexibility Act of 1980 (RFA)* by requiring all federal agencies appropriately consider their impact of rules and regulations on small businesses before imposing burdensome mandates while also providing small businesses with a voice in the rulemaking process.

NSBA is the nation's first small business advocacy with more than 65,000 small-business members representing every state and every industry across the country. NSBA, a staunchly nonpartisan organization, and our members consistently rank regulatory reform as one of our top ten priority issues for the 114th Congress. I commend you for your leadership in introducing this legislation in the Senate.

The total annual cost of the federal regulatory burden on the American public has ballooned to nearly \$2 trillion and continues to grow each year. Unfortunately, small businesses disproportionately face higher annual regulatory costs of \$10,585 per employee per year, which is 36 percent above the regulatory cost facing large firms. Their ability to operate efficiently and free of unnecessary regulatory burdens is critical for small businesses ability to compete and create jobs. I am pleased that your measure addresses these challenges.

S. 426 would improve and modernize the RFA, a 1980 law that requires federal agencies to transparently account for the impact of regulation on small businesses. However, each agency interprets important terms in the existing statute in widely diverse ways and is able to avoid the RFA's requirements as Congress intended. This bill would streamline and make uniform those determinations of when the RFA would apply to a rule.



Under this legislation, federal agencies would be required to enhance their analysis of proposed rules, provide greater opportunity for small business input, and ensure agencies regularly review existing rules for their economic impact on the small-business community. Furthermore, NSBA is pleased with the bill's directive requiring each department to convene a small business review panel to discuss any major new regulations before the rules can be implemented. To minimize any significant adverse impact, S.426 would also expand the scope of the required economic impact analysis to include indirect effects.

For these reasons, NSBA enthusiastically supports S.426. Thank you for your leadership on this issue and I look forward to working with you to bring this legislation to the Senate floor for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken", with a long horizontal flourish extending to the right.

Todd McCracken  
President & CEO

Cc: Sen. Jim Risch  
Sen. Marco Rubio  
Sen. Cory Gardner  
Sen. Joni Ernst  
Sen. Mike Enzi