

July 27, 2009

The Honorable Mary Landrieu
Chair
Senate Committee on Small,
Business and Entrepreneurship
428A Russell Senate Office Building
U.S. Senate
Washington, D.C. 20510

The Honorable Olympia Snowe
Ranking Member
Senate Committee on Small,
Business and Entrepreneurship
428A Russell Senate Office Building
U.S. Senate
Washington, D.C. 20510

Dear Chairwoman Landrieu and Ranking Member Snowe:

On behalf of the 39 organizations listed below, we are writing to express our strong support for the Small Business Administration's Office of Advocacy. Small businesses are the backbone of our Nation's economy and their ability to operate efficiently and free of unnecessary regulatory burdens will be a vital component of our country's economic recovery and continued growth. There is a critical need for the Office of Advocacy to be able to continue functioning as an independent government advocate for the small business community.

Small businesses – and in turn our Nation – have benefited significantly from the independence within the Executive Branch which Congress gave the Office of Advocacy to ensure that small business concerns and alternatives are fully and objectively considered throughout the federal rulemaking process and the potentially burdensome effects of regulations are reduced if not eliminated whenever possible.¹

The Office of Advocacy advances the interests of small businesses by also ensuring that the requirements set forth by the Regulatory Flexibility Act of 1980,² as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996³ are met. The Office of Advocacy ensures this by reviewing the Regulatory Flexibility analysis or certification prepared by federal departments and agencies, submitting comments on proposed rules, hosting public hearings or open conferences to solicit comments from small business entities, presenting Congressional testimony, engaging in Interagency dialogue, filing *amicus curiae*, periodically reviewing existing regulations, and participating as a panel member on SBREFA panels when convened by the respective federal agency.

Because of its independence, the Office of Advocacy has been able to reduce the regulatory cost of small businesses to comply with federal regulations, without undermining rulemaking objectives. In Fiscal Year 2008 alone, the Office of Advocacy reported \$11 billion in regulatory cost savings to small business entities.⁴

On January 30, President Obama stated in his memorandum regarding the role of the Office of Information and Regulatory Affairs (OIRA) during regulatory review: "While recognizing the expertise and authority of the [E]xecutive [B]ranch departments and agencies, I also believe that, if properly conducted, centralized review is both legitimate and appropriate as a means of promoting regulatory goals."⁵ The Office of Advocacy plays just as vital a role.

¹ 15 U.S.C. § 634a, *et. seq.*

² Pub. L. No. 96-354, 94 Stat. 1164 (1981).

³ Pub. L. No. 104-121, 110 Stat. 857 (1996), codified as amended at 5 U.S.C. §§ 601-612.

⁴ See Office of Advocacy, U.S. Small Business Administration, Annual Report of the Chief Counsel for Advocacy on Implementation of the Regulatory Flexibility Act, Fiscal Year 2008 i (2009), *available at* <http://www.sba.gov/advo/laws/flex/08regflx.pdf>.

⁵ 74 Fed. Reg. 5977 (Feb. 3, 2009).

Congress established the Office of Advocacy in response to the increasing number of newly-created federal regulatory agencies which promulgated a volume of regulations that were overwhelmingly burdensome on small businesses.⁶ The regulatory climate is no different today.

For over 25 years, the Office of Advocacy has served successfully as an objective and balanced advocate for small businesses. It is critical that this be allowed to continue.

Sincerely,

Air Conditioning Contractors of America	Printing Industries of America
American Bus Association	Prometrix Consulting
American Hotel & Lodging Association	Society of Chemical Manufacturers & Affiliates
American Society of Home Inspectors	Tree Care Industry Association
American Subcontractors Association	U.S. Chamber of Commerce
American Trucking Associations	
Associated Builders and Contractors	
Association of Equipment Manufacturers	
Food Marketing Institute	
Independent Electrical Contractors	
Industrial Minerals Association – North America	
Institute of Makers of Explosives	
Interlocking Concrete Pavement Institute	
International Association of Refrigerated Warehouses	
International Foodservice Distributors Association	
International Franchise Association	
Mason Contractors Association of America	
National Association for Surface Finishing	
National Association of Convenience Stores	
National Association of Home Builders	
National Association of Manufacturers	
National Association of Wholesaler-Distributors	
National Club Association	
National Community Pharmacists Association	
National Electrical Contractors Association	
National Federation of Independent Business	
National Mining Association	
National Ready Mixed Concrete Association	
National Roofing Contractors Association	
National Stone, Sand & Gravel Association	
National Utility Contractors Association	
Northwest Mining Association	
Pennsylvania Oil and Gas Association	
Plumbing-Heating-Cooling Contractors - National Association	

cc: House Small Business Committee, Chairwoman Nydia Velázquez
House Small Business Committee, Ranking Member Sam Graves

⁶ Keith W. Holman, The Regulatory Flexibility Act at 25: Is the Law Achieving Its Goal? 33 FORDHAM URB. L.J. 1119 (2006).