



May 20, 2013

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Issa:

The National Federation of Independent Business expresses its support for the Committee on Oversight and Government Reform's markup of H.R. 899, the Unfunded Mandates Information and Transparency Act, introduced by Rep. Virginia Foxx.

The Committee is well aware of the burdens regulatory mandates disproportionately impose on small businesses. In fact a 2010 study by the U.S. Small Business Administration's Office of Advocacy found that small businesses with 20 or fewer employees pay 36 percent more per employee per year complying with federal regulations than their larger counterparts.

Small businesses are still clamoring for regulatory reform. In NFIB's most recent *Small Business Economic Trends* survey, 21 percent of respondents cited "government requirements and red tape" as the single most important problem facing their business, which ranked only behind taxes. In a country starved for job creation, inhibiting the sector of the economy that creates two-thirds of net new jobs with unnecessary burdens fails to make sense.

These facts demonstrate why the legislation before the Committee is so critical, and why it has garnered bipartisan support. H.R. 899 would make critical improvements to the regulatory system. Namely, the bill would require an analysis of indirect costs imposed by new regulations, apply these regulatory procedures to independent agencies, and apply the law to all agency actions – not just formal rulemakings.

In addition, the legislation transfers authority of the current unfunded mandates law from the Office of Management and Budget to OMB's Office of Information and Regulatory Affairs, whose staff is better equipped to handle such work. H.R. 899 would also set the threshold for compliance with the law at \$100 million, which is consistent with established laws and executive orders. This bill also allows committee chairmen to require agencies to explore the cost of existing rules, including whether the rule is still necessary, and lastly, expand judicial review.

H.R. 899 is a bipartisan effort that would make much-needed reforms to our regulatory system to help address burden on small businesses while allowing agencies to protect the health and welfare of the public. Thank you again for holding this markup on commonsense regulatory reform legislation.

Sincerely,

A handwritten signature in black ink that reads "Susan Eckerly". The signature is fluid and cursive, written over a white background.

Susan Eckerly
Senior Vice President
Public Policy

National Federation of Independent Business

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