

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

MEMORANDUM

TO: Members of the Committee on Small Business

FROM: Committee Majority Staff

DATE: February 9, 2024

RE: Full Committee Hearing Titled: “Burdensome Regulations: Examining the Impact of EPA Regulations on Main Street”

On **Wednesday, February 14, 2024 at 10:00 AM ET** the Committee on Small Business will hold a hearing titled “**Burdensome Regulations: Examining the Impact of EPA Regulations on Main Street.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to examine the impacts of the Environmental Protection Agency’s (EPA) burdensome regulations and economic pressures on small businesses and American consumers.

I. Witnesses

- **Mr. Brandon Farris**, Vice President, Domestic Economic Policy, National Association of Manufacturers
- **Ms. Cyé Cooper Wagner**, Executive Vice President, Cooper Oil and Gas
- **Dr. Lishan Aklog**, Chairman and CEO, PAVmed Inc.
- **Mr. Michael Green**, Director of Climate and Energy Policy, American Sustainable Business Network

II. Background

From the cost of gas, groceries, and other essentials to high interest rates and persistent inflation, small businesses are suffering from the consequences of rampant government spending and regulation.¹ In fact, the average American household is spending an additional \$11,400 annually to maintain the lifestyle they were living in January 2021.²

¹ Susan B. Glasser, *Bidenomics is a Political Bust for Biden*, THE NEW YORKER (Nov. 30, 2023).

² Amy Picchi, *Americans need an extra \$11,400 today just to afford the basics, Republican analysis finds*, CBS NEWS (Nov. 30, 2023).

Given this reality, it's unsurprising that small business optimism remains low.³ Nearly 90 percent of small business owners with job openings are struggling to find qualified applicants and almost a quarter of small business owners cited inflation as their top challenge.⁴ Additionally, a majority of business owners report that price increases have grown faster than their revenue.⁵ December 2023 marked the 24th straight month where small business optimism was below the 50-year average.⁶

These economic challenges are exacerbated by a compounding regulatory burden on small entities. There are laws in place, specifically the Regulatory Flexibility Act (RFA), that are intended to shield small businesses from the most egregious regulatory actions. The RFA requires agencies to use quantitative analysis to determine the additional costs of a specific regulation and how many businesses it will affect. Even though the RFA requires agencies to consider and to mitigate the regulatory burden for small businesses, some agencies do as little as possible to comply with the law.⁷ Often times, guardrails designed to include small business voices in the rulemaking process are skirted in favor of overbearing regulations.

The Biden Administration has promulgated more than a billion dollars in estimated regulatory costs during each week of January 2024.⁸ Since President Biden was sworn into office, his Administration has issued 766 final rules costing \$454.2 billion, resulting in 279.9 million hours of paperwork.⁹ The EPA, as one of the most pervasive rulemaking agencies, is responsible for a substantial number of expensive new regulations on American small businesses and consumers.¹⁰ These regulations have increased the costs and regulatory burden for nearly every industry in the U.S., ranging from oil and gas to healthcare.¹¹

III. Conclusion

It is a top priority of the House Committee on Small Business to hold agencies accountable for the impact their rules have on Main Street America. The federal government should work to make it easier for citizens to achieve the American Dream. The government's regulatory agenda should not come at the expense of small businesses who deserve to have their concerns accounted for in the promulgation of federal regulations.

³ NAT'L FED'N OF INDEP. BUS., SMALL BUS. OPTIMISM INDEX, 1 (Dec. 2023).

⁴ *Id.*

⁵ SMALL BUS. & ENTREPRENEURSHIP COUNCIL, SMALL BUS. CHECKUP SURVEY (Q4-2023), 5 (Dec. 2023).

⁶ NAT'L FED'N OF INDEP. BUS., SMALL BUS. OPTIMISM INDEX, 1 (Dec. 2023).

⁷ *Week in Regulation*, AM. ACTION FORUM (Oct. 30, 2023).

⁸ *Week in Regulation*, AM. ACTION FORUM (Jan. 29, 2024).

⁹ *Id.*

¹⁰ Dan Goldbeck, 2023: *The Year in Regulation*, AM. ACTION FORUM (Jan. 3, 2024); See also 88 Fed. Reg. 1-90402 (2023).

¹¹ Dan Goldbeck, 2023: *The Year in Regulation*, AM. ACTION FORUM (Jan. 3, 2024)