



September 10, 2024

The Honorable Roger Williams  
Chair  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nydia Velázquez  
Ranking Member  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Williams, Ranking Member Velázquez and Members of the House Committee on Small Business:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 67 chapters representing more than 23,000 members, I write in support of several pieces of legislation that strengthen the Regulatory Flexibility Act and protect small businesses from harmful regulations. The majority of ABC's general contractor and subcontractor members qualify as small businesses as defined by the Small Business Administration. The industry consistently has one of the highest concentrations of small business participation and its members play an integral role in building America's infrastructure.

The RFA was designed to protect small businesses from the disproportionate effects that regulatory overreach can have on their operations. Throughout the past four years, the Biden-Harris administration has advanced numerous regulations that generate substantial burdens for America's small businesses by reducing competition and driving up costs. What's worse, federal agencies continuously utilize loopholes in the RFA to implement these regulations at the expense of America's small business community. The below bills protect small business operations and ensure that these businesses have input throughout the rulemaking process:

- [H.R. 9085](#), the Regulatory Review Improvement Act of 2024, makes modifications to how agencies conduct periodic reviews of agency rules.
- [H.R. 7198](#), the Prove It Act of 2024, increases small business input in the regulatory process and ensures agencies are fully accounting for the impact of regulations on small businesses.
- [H.R. 9031](#), the Assurance for Small Business Act of 2024, requires federal agency heads to submit a report on the implementation of the Regulatory Flexibility Act.
- [H.R. 9032](#), the Enhanced Regulatory Flexibility Assessment Act, makes it mandatory for agencies to conduct studies and issue reports on the effects of new rules on small businesses.
- [H.R. 9030](#), the Regulatory Agenda Clarity Act, requires federal agencies to fully disclose how their regulations would impact small businesses and entrepreneurs.
- [H.R. 8033](#), the Regulatory Transparency for Small Business Act, forces federal agencies to identify an approximate number of small entities that will be affected by new regulations, the cost per small entity and the data used to make that determination.
- [H.R. 9033](#), the LABOR Act of 2024, requires regulatory flexibility analysis from the U.S. Department of Labor.

In 2023, the National Federation for Independent Business reviewed comment letters from the SBA's Office of Advocacy and found 28 instances where it cited agencies for lack of RFA compliance. The Office found agencies often improperly certify that rules will not have a significant economic impact on a substantial number of small entities, only consider the direct costs on small businesses or misrepresent the costs on small businesses from regulation. In one instance, the Office found that the DOL's analysis of the impact of its independent contractor rule, the now-effective [final rule on Employee or Independent Contractor Classification Under the Fair Labor Standards Act](#), failed to estimate the costs that would be incurred by small businesses when reclassifying independent contractors as employees.

In addition to NFIB analysis, this committee released an RFA [report](#) detailing a concerning lack of compliance in the federal rulemaking process. The report reveals that in less than four years, 891 final rules have been issued, crushing small businesses with \$1.47 trillion in costs and over 232 million hours in paperwork. Moreover, federal agencies' continued usage of loopholes in the RFA allow them to circumvent the proper analysis needed to accurately consider the costs and number of affected small businesses.

At a time when ABC's small business contractors are facing inflation, supply chain disruptions and workforce shortages, the aforementioned bills ensure that small business concerns are properly addressed in the rulemaking process, so federal regulations do not add an additional layer of uncertainty to their work.

ABC urges the committee to report these bills for a full House vote as a critical step toward reducing the Biden-Harris administration's regulatory burdens and ensuring small businesses success in America.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristen Swearingen". The signature is fluid and cursive, with the first name "Kristen" being more prominent than the last name "Swearingen".

Kristen Swearingen  
Vice President, Legislative & Political Affairs