



April 30, 2025

The Honorable Roger Williams  
Chairman  
House Committee on Small Business  
U.S. House of Representatives  
Washington, D.C. 20515

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

Dear Chairman Williams and Ranking Member Velázquez:

On behalf of the National Small Business Association (NSBA)—the nation’s oldest small business advocacy organization, representing our membership of more than 65,000 and the millions of owners and employees that comprise the U.S. small business sector—I am writing to express our strong endorsement of the recently reintroduced H.R.1163, the *Prove It Act of 2025*.

It is no secret that small companies frequently feel the impact of “red tape” to a greater extent than their large counterparts. As a result, the government is supposed to take robust action to prevent regulatory harm to small entities. Too often, however, regulators are able to pay lip service to their responsibilities to mitigate the impact of federal regulations on America’s small businesses under the Regulatory Flexibility Act (RFA). The *Prove It Act* helps ensure small businesses get the consideration they deserve during the regulatory process, and offers clarity as well as meaningful pathways for redress. This legislation, which passed the House last Congress on a bipartisan basis, would provide the government with essential tools to reduce regulatory harm to small businesses.

Currently, federal agencies undertaking rulemaking have the ability to self-certify whether their proposed regulation would have a broad impact on small entities under the RFA. Moreover, the RFA does not explicitly delineate what constitutes “significant” or “substantial,” and SBA itself advises that “Some agencies have already developed criteria for determining whether a particular economic impact is significant. Standards must be flexible enough to work for the individual agency.”<sup>1</sup> While certainly expedient for the rulemaking process, this latitude allows agencies broad discretion to determine that—in their sole view—small entities are not impacted.

In order to prevent damaging federal overreach, the *Prove It Act* specifically allows small businesses and their representative organizations, including groups like NSBA, to petition the Chief Counsel for Advocacy of the Small Business Administration (SBA) to intervene and review whether proposed federal regulations would have major economic effects on a significant number of small businesses. Critically, the legislation ensures that this vital work will be supported by rulemaking agencies, by exempting small entities from any rule under examination where the issuing agency fails to assist the Chief Counsel in their review.

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<sup>1</sup> <https://advocacy.sba.gov/wp-content/uploads/2019/06/How-to-Comply-with-the-RFA.pdf#page=37>.

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Importantly, the *Prove It Act* would also encourage federal agencies to ensure their rules remain fair, clear, and relevant over time, by empowering the Chief Counsel to throw out rules if the issuing agency fails to reevaluate their impact on small businesses within a ten-year period. These practices would go a long way to ensuring that regulators live up to their responsibilities outlined under the RFA.

I urge the Committee to favorably report H.R.1136, as well as other legislative efforts that would reduce regulatory barriers to Main Street competitiveness.

Thank you for your continued leadership in fostering an environment where small businesses can operate, invest, and grow, and look forward to continuing to work with you as a partner in supporting the U.S. small business sector.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized with a large, looped "M" and a long horizontal stroke at the end.

Todd McCracken  
President & CEO  
National Small Business Association