



AMERICAN  
SUSTAINABLE  
BUSINESS  
COUNCIL

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April 28, 2025

The Honorable Roger Williams, Chairman  
U.S. House Committee on Small Business  
2336 Rayburn House Office Building  
Washington, DC 20515

The Honorable Nydia Velazquez, Ranking Member  
U.S. House Committee on Small Business  
2069 Rayburn House Office Building  
Washington, DC 20515

Re: House Bills 2027, 974 and 1163

Dear Chairman Williams, Ranking Member Velazquez and members of the House Committee on Small Business,

The American Sustainable Business Council was founded in 2009 and represents thousands of businesses across our networks. Over the years we have provided testimony to Congressional committees, including this committee, many times particularly on the issue of federal regulations. We have always made the case that good regulations are essential for creating a level playing field for small businesses to effectively compete with large corporations. We believe that good regulations establish the foundation for small businesses to grow and succeed by promoting a healthier workforce, community and environment.

We all want a vibrant, entrepreneurial economy. Until recently, that is what we had in the United States. New business applications have been at an all-time high. Small business owners' optimism on their future and the economy has been very good.

Now, all of these positive signs are down. Not because of existing or proposed regulations. Those don't move the needle.

It is our experience that federal regulations do not stop entrepreneurs from starting businesses. They believe in their dream and are willing to comply with local, state and federal regulations as they move forward and see the benefits for enabling a fair and level playing field to compete.

So, the legislation that are the subject of this input are not intended to drive entrepreneurship. Their purpose is to accommodate to popular political messaging and give tools to big businesses to thwart the regulatory process for their own interests.

With that, here is our input on the three bills in question.

### **H.R. 2027, Returning SBA to Main Street Act**

We applaud any valid actions to support the Small Business Administration in its efforts to promote and grow our nation's small businesses. Putting more resources in our states on "Main Street" is a worthy goal for every state.

However, reducing the overall SBA staff by 43%, as this Act prescribes, undercuts the effectiveness of the SBA being able to perform all of its important tasks. It also fails to live up to the title of the Act which implies that there will be a dramatic increase in SBA staff located in the states.

The math is very clear. Had the SBA staffing level been untouched and, as the bill directs, 30% of those staff were assigned to work in the states, the number of the SBA staff within the states would have been about 2,350, or 47 per state if equally distributed. However, cutting the SBA staff by 43% and then pledging that 30% will work in the states yields about 1,338 for in-state work, or less than 27 per state if equally distributed. This number might be a slight increase over the current number of SBA employees located in the states. but that needs to be documented. However, the promise of this bill is dramatically undercut by the overall reduction of SBA workers.

The present SBA Administration, we are told, is moving forward with the proposed workforce reduction and redistribution regardless of the passage of H.R. 2027, which calls into question the purpose of the Act.

### **H.R. 974, Small Business Regulatory Reduction Act**

The title of this bill more accurately would be "Ban the SBA From Any Rule Making". The Act would prohibit the SBA from issuing a new rule, modifying a rule or repealing a rule. Such changes would naturally require the impacted small business to make administrative and business practice changes that have some cost "greater than 0", even if it is only \$1, which H.R. 974 prohibits. This bill actually creates a business burden and expenses greater than any of the regulations it is prohibiting SBA from creating and enforcing.

The other provision of this Act, reporting of all rules issued by every federal agency during the fiscal year, would be better performed by the SBA Office of Advocacy, which is already tasked with working with federal agencies on regulations but is not under the authority of the U.S Small Business Administration.

### **H.R. 1163, the Prove-It Act of 2025**

While we have had our issues with the SBA Office of Advocacy, mainly because for years it has been co-opted from an agency representing small businesses to one doing the bidding of big business, the goals of the agency are shared.

Below is from Advocacy's website:

Advocacy's role in rulemaking is based on the Regulatory Flexibility Act of 1980. This law requires agencies to consider alternative ways to reduce the economic impact of their

regulations on small entities. Advocacy's efforts to have agencies comply with the Regulatory Flexibility Act have saved small businesses billions of dollars in regulatory costs. Our office has worked with federal agencies to avoid excessive regulatory burdens on small businesses since 1980 and continues to do so.

Advocacy points proudly to its success in working with federal agencies to find less burdensome ways of achieving the goals of needed regulations. This is a well-respected and valuable administrative service.

This Act dramatically changes powers of Advocacy from one of working with federal agencies as the "voice of small business in the regulatory process" to a quasi-judicial power that has the unilateral ability to force a federal agency into a nightmarishly long and expensive defense of rules from new to those up to 10 years old.

The purpose of this Act is not to have a better process that results in rules being more small business friendly. It is instead a big business effort to freeze new rules and eliminate past rules. By tying up the work of federal agencies, big businesses, as they always do, will essentially shut down federal oversight on all businesses.

### **Conclusion**

We do not oppose honest efforts to help our nation's small businesses be more successful. As stated earlier, good regulations that promote a healthier workforce, community and environment plus creating a level playing field for small businesses to compete with big businesses will foster a vibrant entrepreneurial economy.

These three regulatory bills fail this goal.

Sincerely,



David Levine  
President & Cofounder  
American Sustainable Business Council



Frank Knapp  
Board Member ASBC  
& CEO, South Carolina Small Business  
Chamber of Commerce



Vicki Lee Parker High  
Board Member &  
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