

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: July 11, 2025

RE: Full Committee Hearing Titled: “A Voice for Small Business: How the SBA Office of Advocacy is Cutting Red Tape”

On **Tuesday, July 15, 2025, at 10:00 AM ET** the Committee on Small Business (the Committee) will hold a hearing titled “**A Voice for Small Business: How the SBA Office of Advocacy is Cutting Red Tape.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to discuss the U.S. Small Business Administration (SBA) Office of Advocacy’s (Advocacy) mission, its role in ensuring compliance with the Regulatory Flexibility Act (RFA), and the importance of regulatory reform in supporting small businesses.

I. Witness

- **Mr. Chip Bishop**, Deputy Chief Counsel, SBA Office of Advocacy

II. Background

Advocacy was established by Congress in 1976 as an independent office housed within the SBA.¹ Advocacy is a voice for small businesses to be heard by the federal government as agencies and Congress consider new regulations, policies, or programs.² To carry out its mission, Advocacy conducts economic studies and research on issues of concern to small businesses. Before any major federal regulation is finalized, Advocacy analyzes the cost and impacts it might have on small businesses.³ Additionally, Advocacy proposes changes to rules and regulations that support small businesses, and engages with the public and private sectors to learn about the potential challenges small businesses face.⁴ Specifically, on March 10, 2025, Advocacy launched the “Red Tape

¹ *U.S. Small Bus. Admin. Off. of Advocacy Who We Are*, <https://advocacy.sba.gov/home/about/who-we-are/> (last visited July 10, 2025).

² *Id.*

³ U.S. SMALL BUS. ADMIN. OFF. OF ADVOCACY, BACKGROUND PAPER OFFICE OF ADVOCACY 2017-2020 (2021).

⁴ R. CORINNE BLACKFORD, CONG. RESEARCH SERV., IF12986, SMALL BUSINESS ADMINISTRATION OFFICE OF ADVOCACY (May 5, 2025).

Hotline,” which allows small businesses to report any concerns with regulations directly, ensuring the federal government stays accountable.⁵

In 1980, Congress passed the RFA to ensure that federal agencies consider the economic impact that regulations have on small businesses and strengthen Advocacy’s role as the voice for small businesses in the regulatory process.⁶ Each year, the office submits a report to Congress and the Administration detailing federal agency compliance with the RFA.⁷ Through an investigation last Congress, the Committee found that agencies regularly skirt the law to avoid accurately depicting the true impact their regulations have on small businesses.⁸

When properly utilized, Advocacy, led by the Chief Counsel for Advocacy, can play an important role in rolling back burdensome regulations facing small businesses. The Chief Counsel is appointed by the President, with the advice and consent of the Senate, and serves as the leading voice for small businesses within the federal government.⁹ Despite the importance of this role, the Biden-Harris Administration refused to nominate a candidate for Chief Counsel. On January 22, 2025, President Trump nominated Casey Mulligan to serve as Chief Counsel, but he has yet to be confirmed.¹⁰ To ensure small businesses have a strong voice, it is imperative for a Chief Counsel to be confirmed quickly.

III. Conclusion

The excessive cost of regulation disproportionately affects small businesses. The Biden-Harris Administration’s agenda resulted in an additional \$1.8 trillion in regulatory costs and nearly 355 million paperwork hours. In contrast, since President Trump took office, his actions have saved about \$81 billion in regulatory costs.¹¹ Along with the Trump Administration, the Committee is committed to eliminating regulatory burdens and red tape for small businesses to increase job growth, economic development, and support of American-made products and manufacturing. Advocacy can work to ensure small businesses have an avenue to provide feedback on regulations, policies, and programs that will directly affect the small business community.

IV. Legislation Attached

- H.R. 4305 - DUMP Red Tape Act of 2025

⁵ U.S. SMALL BUS. ADMIN. OFF. OF ADVOCACY, FIRST 100 DAYS (2025).

⁶ MAEVE CAREY, CONG. RESEARCH SERV., IF11900, THE REGULATORY FLEXIBILITY ACT: AN OVERVIEW (Aug. 16, 2021).

⁷ 5 U.S.C. § 612(a)

⁸ STAFF REPORT, H. COMM. ON SMALL BUS., REGULATORY FLEXIBILITY ACT (RFA) REPORT: AGENCIES’ NONCOMPLIANCE WITH THE RFA, 10 (May 22, 2024).

⁹ R. CORINNE BLACKFORD, CONG. RESEARCH SERV., IF12986, SMALL BUSINESS ADMINISTRATION OFFICE OF ADVOCACY (May 5, 2025).

¹⁰ PN13-11, 119th Cong. (Jan. 22, 2025).

¹¹ *Regulation Rodeo*, Am. Action Forum, (last visited July 10, 2025), available at <https://www.regrodeo.com>.