

Statement for the Record  
Hon. Blaine Luetkemeyer (MO-03)  
Committee on Small Business  
September 10<sup>th</sup>, 2024

I thank Chairman Williams and, on the House, Small Business Committee for holding this mark-up and for consideration of my bill the Regulatory Transparency for Small Businesses Act.

According to the Regulatory Flexibility Act (RFA), when an agency begins the rulemaking process, they must determine whether a rule will have a significant economic impact on a substantial number of small businesses. If the agency believes it will, they must construct an initial and final regulatory flexibility analyses addressing the cost of compliances and significant alternatives considered, along with other applicable metrics. If an agency determines that a rule will not have such an impact, the head of the agency must “certify” that decision and is then free to continue with normal rulemaking procedures.

To properly certify, an agency must provide a “factual basis” for that decision before moving forward with the rulemaking process. There is no legal definition or statute defining a “factual basis”. Given the outlandish and overreaching rules agencies have filed in recent years, it is time to ensure these critical preliminary measures are not disregarded, and that impacts on small businesses are being considered. I thank Chairman Williams and the Small Business Committee for bringing forth my bill, H.R. 8033 the Regulatory Transparency for Small Businesses Act, which will fix these exact issues.

My bill will require federal agencies, when proposing a regulation, to identify an approximate number of small entities that will be affected by the regulation, NAICS Codes for those industries, and a cost per small entity. The agency must also provide the data used to make that determination publicly. Overregulation is costing our small businesses hundreds of thousands of dollars a year. Since coming to office, the Biden Administration alone has issued 817 final rules, costing \$482 billion, which has resulted in almost 300 million hours of paperwork for our small businesses. My bill will ensure agencies are no longer ignoring these critical preliminary measures when they certify and force agencies to be transparent about their rule making and the data, they use to come up with these “factual basis”.

I ask those on the committee to support my bill as it will deter from more harmful regulations that hinder our small businesses.