



September 5, 2024

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

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

Dear Chairman Williams, Ranking Member Velázquez, and Members of the Committee:

In advance of the Small Business Committee's scheduled markup on September 10, the Job Creators Network expresses its strong support for the package of regulatory reforms the Committee is scheduled to consider. If enacted, these reforms would free up precious time and resources small business owners currently devote to complying with overly burdensome federal mandates. Main Street could redirect those resources to serve their customers and grow their businesses for the benefit of the people they employ and the communities they serve.

JCN is a nonpartisan organization founded by entrepreneurs who believe that many government policies are getting in the way of the economic freedom that helped make this country prosperous.

JCN provides business leaders and entrepreneurs with the tools to become the voice of free enterprise in the media, in Congress, in state capitals, in their communities, and their workplaces – allowing them to hold politicians accountable to job creators and their employees. As this Committee knows well, regulations disproportionately negatively impact small businesses as compared to larger ones. Businesses with fewer than fifty employees pay \$14,700 per employee, as compared to \$13,800 per employee for medium-sized businesses, and \$12,200 per employee for large businesses.¹

Moreover, because seventy-nine percent of small businesses have ten employees or less, they do not employ attorneys, accountants, or human resources professionals. Instead, the small business owner performs those duties, many of which involve regulatory compliance. The Job Creators Network Foundation SBIQ poll shows that fifty-eight percent of small businesses say that they find complying with regulations time consuming.²

¹ Nicole V. Crain and W. Mark Crain, [“The Cost of Federal Regulation to the U.S. Economy, Manufacturing, and Small Business,”](#) Oct. 2023.

² John McLaughlin and Scott Rasmussen, [“May 2024 Job Creators Network Foundation Small Business Poll.”](#)



JCN endorses all the regulatory reforms the Committee plans to consider and markup and urges the passage of each. One reform – the bipartisan “Prove It Act of 2024” -- continues to be a top priority for JCN and the small businesses we represent by fulfilling a key pillar of JCN’s American Small Business Prosperity Plan.³ It would hold agencies accountable and ensure they meaningfully consider the impact on small business of the regulations they propose.

According to an investigation conducted by the House Committee on Small Business, many government agencies in Washington are “failing to properly implement” statutes intended to shield small businesses from overburdensome regulations.⁴ The committee’s investigation shows that federal regulators view their legal obligation to assess small business impact of new regulations as nothing more than a “check the box” exercise.

For example, the Army Corps of Engineers has twice certified as not significantly impacting small businesses its proposal to redefine “waters of the United States” in a way that would require millions of landowners to get a federal permit before doing things as simple as moving mulch. Similarly, the Department of Labor had the audacity to certify its recent regulation that effectively converts most independent contractors into employees as a mandate with little impact on small business. These are just two of many examples where federal bureaucrats are not following the letter and spirit of the Regulatory Flexibility Act when it comes to protecting small businesses from one-size-fits-all regulation.

The “Prove It Act of 2024” would bolster existing law that federal agencies have been side stepping at the expense of small businesses. It would hold agencies accountable by providing a meaningful opportunity for small businesses to challenge an agency certification that a proposed regulation would not impact a substantial number of small entities. And small businesses would be exempt from any rule in which an agency fails to follow the law.

Small business regulatory protections are in dire need of restoration. Passage of the “Prove It Act of 2024” and the other reforms the Committee is scheduled to consider would help ease the overly burdensome regulations Main Street small businesses face that prevent from growing.

³ Job Creators Network, [“The American Small Business Prosperity Plan”](#).

⁴ House Committee on Small Business, [“Regulatory Flexibility Act Report: Agencies’ Noncompliance with the RFA”](#) (2024).



We commend the Committee for marking up these important small business regulatory reforms and urge their passage. It is time for our elected leaders in Washington to prioritize Main Street.

Sincerely,

A handwritten signature in black ink that reads 'Alfredo Ortiz'.

Alfredo Ortiz
CEO
Job Creators Network