

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: January 5, 2026

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

On **Wednesday, January 7, 2026, 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 federal agency compliance with the *Regulatory Flexibility Act* (RFA), and the importance of regulatory reform to support small businesses.

I. Witness

- **Dr. Casey Mulligan**, Chief Counsel, SBA Office of Advocacy

II. Background

In 1976, Congress established Advocacy as an independent office housed within the SBA.¹ The office's three core efforts are research, regulations, and outreach. Advocacy ensures small businesses are given a voice in the federal government as agencies and Congress consider new regulations, policies, or programs.² To carry out its mission, Advocacy conducts economic studies on issues of concern to small businesses and engages with the public and private sectors to learn about the potential challenges small businesses face.³ In addition, before any major federal regulation is finalized, Advocacy analyzes the costs and other impacts it might have on small

¹ *U.S. Small Bus. Admin. Off. of Advocacy Who We Are*, <https://advocacy.sba.gov/home/about/who-we-are/> (last visited Jan. 2, 2026).

² *Id.*

³ *Id.*

businesses.⁴ Advocacy then proposes changes to rules and regulations to ensure they better support small businesses.⁵

Advocacy is led by a Chief Counsel for Advocacy, a position subject to Senate confirmation.⁶ Despite the importance of this role, the Biden-Harris Administration failed to nominate a candidate, leaving the position vacant for over eight years. On January 22, 2025, President Trump nominated Dr. Casey Mulligan to serve as Chief Counsel, and he was sworn in on August 1, 2025. To ensure small businesses have a strong voice, it is imperative that the Chief Counsel be fully empowered to hold agencies accountable for creating burdensome regulations.

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.⁷ Each year, the office submits a report to Congress and the Administration detailing federal agency compliance with the RFA.⁸ An Advocacy report released on August 5, 2025, reviewed Biden-Harris Administration compliance with the RFA. Advocacy found that many regulations were issued without proper RFA review—partly due to the absence of a Chief Counsel for Advocacy and agencies' failure to provide Congress with requested information—and that more than 2,000 rules claimed exemption from RFA requirements.⁹ Through a separate investigation last Congress, the Committee similarly found that agencies regularly skirt the RFA requirements and avoid accurately depicting the impact their regulations have on small businesses.¹⁰

The excessive cost of regulations 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.¹¹ In contrast, since President Trump took office, his actions have saved about \$111 billion in regulatory costs.¹²

III. Conclusion

Advocacy serves as an important voice for small businesses in the federal government and should continue to work to ensure small businesses have an avenue to provide feedback on regulations, policies, and programs that will directly affect the small business community. 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.

⁴ U.S. SMALL BUS. ADMIN. OFF. OF ADVOCACY, BACKGROUND PAPER OFFICE OF ADVOCACY 2017-2020 (2021).

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

⁶ *Id.*

⁷ MAEVE CAREY, CONG. RESEARCH SERV., IF11900, THE REGULATORY FLEXIBILITY ACT: AN OVERVIEW (Aug. 16, 2021).

⁸ 5 U.S.C. § 612(a)

⁹⁹ OFFICE OF ADVOCACY, BIDEN ADMINISTRATION RULES CERTIFIED UNDER THE REGULATORY FLEXIBILITY ACT, 2 (Aug. 5, 2025).

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

¹¹ *Regulation Rodeo*, AM. ACTION FORUM, <https://www.regrodeo.com> (last visited Jan. 2, 2026).

¹² *Id.*