



July 12, 2011

The Honorable Geoff Davis
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Davis:

Serious regulatory reform is needed to revitalize entrepreneurship, small business growth, our economy, and job creation. Therefore, the Small Business & Entrepreneurship Council (SBE Council) strongly supports the Regulations from the Executive In Need of Scrutiny (REINS) Act, H.R. 10.

Government regulation can be quite perilous for the economy since these costs are hidden from consumers, workers and voters. However, these costs are most certainly felt by the public in the form of higher prices, fewer jobs, lower salaries and limited choices in the marketplace.

Small business owners can tell you how costly regulations are – in fact, these costs are just as real and often just as substantial as taxes. As made clear by the SBA Office of Advocacy, small firms are disproportionately burdened by regulations. Per employee federal regulatory costs are 36 percent higher for businesses with fewer than 20 workers, for example, compared to firms with 500 or more workers.

Unfortunately, the current regulatory process allows for substantial and costly regulations to be imposed on small businesses, consumers and the economy without direct input from elected lawmakers. At the federal level, Congress often provides broad guidelines for regulation, and leaves the details to unelected bureaucrats. This is often referred to, and correctly so, as “regulation without representation.”

H.R. 10 requires that Congress take an up-or-down vote on every new major rule – defined as having an economic effect of at least \$100 million – before such a rule could be enforced. This substantive regulatory reform measure would serve as an important check on the regulatory system, and have a positive effect in terms of how regulation affects businesses, and therefore, consumers and the economy.

H.R. 10 will bring accountability to our nation’s regulatory system, and SBE Council thanks you for your leadership in spearheading this important legislative effort.

Sincerely,

Karen Kerrigan
President & CEO