

Opening Statement
Chairman Crescent Hardy
Subcommittee on Investigations, Oversight and Regulations
Committee on Small Business
U.S. House of Representatives
“Regulatory Overload: The Effects of Federal Regulations on Small Firms”
November 6, 2015

Good afternoon and thank you all for being here today. I call this hearing to order.

Today’s hearing will focus on a topic that I am passionate about – reducing the burden of regulations on small businesses. One of the biggest concerns I hear from small business owners both here in Nevada’s Fourth District, and around the country, is that federal regulations have gotten out of control. So it is no surprise that in a September 2015 survey, federal regulations were tied with taxes as the number one issue affecting small business owners.

Agencies publish thousands of final regulations every year on diverse subjects including, but not limited to: workplace safety; finance; environmental protection; health care; energy conservation; and endangered species. In 2014 alone, federal regulators issued 2,400 new rules – of which 77 were classified as major. To me, this seems like an onslaught of new red tape. While I understand the need for some level of regulation, I am concerned that small businesses are not being heard or even considered when these rules come down the pipeline.

Small businesses, as we will hear today, are unique and disproportionately affected by the costs of regulation. A company with under 50 employees annually spends 17 percent more than an average company to comply with federal regulations. While that may not seem like much, just imagine what that 17 percent could do if it went instead to hiring additional employees. As Chairman of the Subcommittee on Investigations, Oversight and Regulations, I am working hard to help ensure regulatory burdens on small firms are reduced so that these businesses can focus on creating jobs and spurring economic growth.

I would like to thank each of our witnesses for taking time to be here and provide testimony on ways we can all work together to reduce the regulatory burden on small businesses. I look forward to your testimony.