



**Opening Statement of Chairman Sam Graves  
Committee on Small Business  
Markup of H.R. 2542  
September 18, 2013**

Good afternoon. This Committee meeting will come to order.

Today, we will be marking up legislation to improve the regulatory climate for American small businesses.

While the economy has limped along over the past four years, the ability of small businesses to grow and create jobs has been hampered by the ever-increasing regulatory burden. This means small businesses must spend more time, money and resources to comply with regulations.

The Regulatory Flexibility Act, or RFA, requires all federal agencies to examine the impact of their regulations on small businesses, and if those impacts are significant, the agency is required to consider less burdensome alternatives. Although the RFA has been on the books for over three decades, agencies still fail to fully comply with the letter of the law. The unfortunate result is poorly crafted regulations that unduly burden small businesses.

In 1996, Congress enacted the Small Business Regulatory Enforcement Fairness Act, which amended the RFA and added several important requirements. While this change has had a modest positive effect, hearings held by the Committee on Small Business over multiple Congresses have revealed that agency compliance with the RFA is still sorely deficient.

Despite Presidential directives, congressional oversight, court admonishments and small business pleas, agencies still continue to ignore the RFA. However, Congressional support for improving and strengthening the RFA continues to grow. In the 112th Congress, the Regulatory Flexibility Improvements Act of 2011 passed the House by a bipartisan vote following passage by voice vote in this Committee.

The bill being considered today, H.R. 2542, the Regulatory Flexibility Improvements Act of 2013, is virtually identical to the bill the House passed at the end of 2011, and it includes the four Democrat amendments the Committee adopted in the last Congress. The bill will ensure that agencies genuinely scrutinize the impacts of their actions on small businesses by requiring them to look at both direct and indirect effects; closing loopholes that the IRS exploits; requiring all agencies to convene small business advocacy review panels for certain rules; and eliminating barriers to judicial review, among other important provisions. It has the support of the small business community and members from both sides of the aisle and I urge my colleagues to support the legislation.

I now recognize the Ranking Member, Ms. Velázquez, for her opening remarks.