



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 3, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 527 – Small Business Regulatory Flexibility Improvements Act of 2015
(Rep. Chabot, R-Ohio, and 21 cosponsors)

The Administration is committed to ensuring that regulations are smart and effective, that they are tailored to advance statutory goals in the most cost-effective and efficient manner, and that they minimize uncertainty. H.R. 527, the Small Business Regulatory Flexibility Improvements Act, would impose unneeded and costly analytical and procedural requirements on agencies that would prevent them from performing their statutory responsibilities. It would also create needless regulatory and legal uncertainty and costs for businesses and the American public. Accordingly, the Administration strongly opposes House passage of H.R. 527.

The bill would impose unnecessary new procedures on agencies and invite frivolous litigation. When a Federal agency promulgates a regulation, the agency must adhere to the robust and well understood procedural requirements of the Regulatory Flexibility Act, as amended by the Small Business Regulatory Enforcement Fairness Act, as well as the Administrative Procedure Act and other Federal statutes such as the Unfunded Mandates Reform Act and the Paperwork Reduction Act.

The Administration agrees that the Regulatory Flexibility Act establishes a national commitment to achieving statutory goals without imposing unnecessary burdens on the public, especially small business. The Administration also recognizes the importance of considering alternate regulatory approaches that could minimize the significant economic impact of rules on small businesses, small organizations, and small governmental jurisdictions. In addition, for decades agency rulemaking has been governed by Executive Orders issued and followed by administrations of both political parties. These require regulatory agencies to promulgate regulations only upon a reasoned determination that the benefits justify the costs, to consider regulatory alternatives, and to promote regulatory flexibility. With respect to the Regulatory Flexibility Act in particular, agencies already have in place procedures and policies, as required by Executive Orders 12866, 13272, 13563, and 13610 to ensure that agencies take into account the consequences of rulemaking on small businesses.

Furthermore, this Administration's deep commitment to promoting small business and ensuring that regulations do not unduly burden the Nation's small businesses is reflected in Executive Orders 13563 and 13610. These Executive Orders require agencies to examine existing regulations and to eliminate, streamline, or alter them where they are excessively burdensome. In particular, Executive Order 13610 directs agencies to give special consideration to initiatives that would reduce unjustified regulatory burdens or simplify or harmonize regulatory requirements imposed on small businesses. In response to these Executive Orders, twice a year agencies develop and publish their retrospective review plans for public comment.

Passage of H.R. 527 would burden the existing framework with layers of new procedural requirements that would seriously undermine the ability of agencies to execute their statutory

mandates. It would expand the use of advocacy review panels, create needless grounds for judicial review and judicial remedies, and impose unrealistic analytic requirements on agencies. In these ways and others, H.R. 527 would impede the ability of agencies to provide the public with basic protections, and create needless confusion and delay that would prove disruptive for businesses as well as for State, Tribal and local governments.

If the President were presented with H.R. 527, his senior advisors would recommend that he veto the bill.

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