

## *Advocacy Supports OMB's Efforts to Improve Agency Risk Assessments*

On June 8, 2006, the U.S. Small Business Administration's Office of Advocacy (Advocacy) submitted comments on the Office of Management and Budget's (OMB) *Proposed Risk Assessment Bulletin*.<sup>1</sup> The proposed bulletin would establish uniform requirements for federal agencies to enhance the technical quality and objectivity of risk assessments. Risk assessments are documents that assemble and synthesize scientific or technical information to determine whether, and to what extent, a potential hazard exists to human health, safety, or the environment. Risk assessments play an important role in the regulatory process because they serve as the scientific underpinning of federal regulations.

Advocacy strongly supports OMB's effort to improve the quality of scientific and technical information that is published, released, used, or relied upon by federal agencies when developing regulations. Advocacy believes this is particularly important given the disproportionate impact of federal regulations on small business.<sup>2</sup>

- Risk assessments are an important analytical tool in the regulatory process. Both risk assessments and regulatory flexibility analysis influence the consideration of regulatory approaches. In Advocacy's view, high quality analyses early in the regulatory process are essential to achieving better regulatory outcomes.
- Advocacy commended OMB for publishing a bulletin that will better ensure that agencies place risk in its proper context, discuss uncertainty, provide a "response-to-comment" document, and compare the results of the assessment to other studies on the same topic. Advocacy believes OMB is also prudent to ground the risk assessment bulletin firmly in its Information Quality Guidelines.
- Advocacy believes OMB has provided a proper degree of flexibility to federal agencies in preparing and using risk assessments, coupled with requirements that agencies certify their compliance with the bulletin and update risk assessments if new information changes their findings.

A complete copy of Advocacy's letter to OMB is available at [www.sba.gov/advo/laws/comments/](http://www.sba.gov/advo/laws/comments/). Comments to OMB are due by June 15, 2006. For more information, please contact Bruce Lundegren, Assistant Chief Counsel at (202) 205-6144 (or [bruce.lundegren@sba.gov](mailto:bruce.lundegren@sba.gov)).

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<sup>1</sup> *Notice of Proposed Risk Assessment Bulletin*, Office of Management and Budget, 71 Fed. Reg. 2600 (January 17, 2006).

<sup>2</sup> See, W. Mark Crain, *The Impact of Regulatory Costs on Small Firms*, Report RFP No. SBAHQ-03-M-0522 for the Office of Advocacy, U.S. Small Business Administration (September 2005) at 5.