



# OFFICE OF ADVOCACY *FACTSHEET*

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## *Arizona Pygmy Owl Critical Habitat*

On June 27, 2003, the U.S. Small Business Administration's Office of Advocacy filed a comment letter on a rule proposed by the Fish and Wildlife Service that designated "critical habitat" under the Endangered Species Act (ESA) for the pygmy owl in Southern Arizona. Advocacy urged the Fish and Wildlife Service to conduct necessary outreach to small entities, to publish an analysis of what the rule would cost small entities, and to consider less costly alternatives to the rule. A complete copy of Advocacy's comments may be accessed at <http://www.sba.gov/advo/laws/comments/>.

### **The Office of Advocacy enforces a law that requires agencies to work with small businesses.**

- The Regulatory Flexibility Act requires Federal agencies to explain the costs of their proposed rules to small businesses. Agencies must also look at alternatives that would minimize small business costs. These requirements can be avoided, in part, if an agency "certifies" that the rule would not have a significant economic impact on a substantial number of small businesses and provides the public with the reasons the agency has done so. The Fish and Wildlife Service chose to "certify" the proposed rule designating land as critical habitat for the pygmy owl.
- The Office of Advocacy believes that the Fish and Wildlife Service is incorrectly measuring the impacts of the rule on small businesses. The Office of Advocacy's letter recommends that the Fish and Wildlife Service analyze the proposed rule's impact on specific sectors of Arizona's small business community.
- The Office of Advocacy believes that the Fish and Wildlife Service has not explained to the public what benefit the proposed rule would provide for the pygmy owl. The Office of Advocacy's letter advised the Fish and Wildlife Service to clearly explain the proposed rule's benefit, as well as present alternatives which could provide the same benefit at less cost to small businesses.

### **For more information on the Office of Advocacy**

- Visit Advocacy's Web page at <http://www.sba.gov/advo> or contact Michael See at (202) 619-0312.