

Report on the Regulatory Flexibility Act, FY 2007

U.S. Small Business Administration, Office of Advocacy, [102] pages.

Under the Regulatory Flexibility Act (RFA), federal agencies consider the effects of their proposed and existing regulations on small entities and examine alternatives that would minimize the small entity impacts while still meeting the regulations' purposes. Since the enactment of the RFA in 1980, the Office of Advocacy has been working with agencies to examine how their regulations affect small entities. *The Report on the Regulatory Flexibility Act, FY 2007* covers agency activity from October 2006 to September 2007.

Highlights

In fiscal year 2007 (October 2006 through September 2007), the Office of Advocacy:

- Held 14 Regulatory Flexibility Act training sessions with federal agencies, state officials, congressional staff, and small business stakeholder organizations,
- Reviewed 469 regulations to assess RFA compliance,
- Convened 29 roundtables to solicit the opinions, views, priorities, and comments of small entity stakeholders on regulatory proposals,
- Presented testimony or positions on pending legislation before Congress six times,
- Submitted 30 public comment letters to federal agencies on regulatory proposals, and
- Realized \$2.6 billion in first-year cost savings and \$285 million in annually recurring savings as a result of efforts to help agencies comply with the RFA's requirements to review the economic impacts of proposed regulations on small entities.

In addition to these actions, the FY 2007 report adds a new chapter on the RFA's "lookback" provision, section 610. RFA section 610 requires agencies, in addition to examining the effects of proposed regulations, to review existing regulations to determine if they are outdated, duplicative, or overly complex. To facilitate better agency compliance with section 610, the Office of Advocacy launched a new initiative in FY 2007, the Regulatory Review and Reform or r3 initiative. The initiative is designed to (1) assist agencies and small business stakeholders to better understand and benefit from section 610 reviews of existing rules, and (2) give interested small entities the opportunity to nominate existing agency rules for review and potential reform. After a process in which more than 80 nominations were received, the Office of Advocacy identified the top 10 rules to be put forward for agency review in 2008.

Scope and Methodology

The Office of Advocacy generally bases its cost savings estimates on agency estimates. Cost savings for a given rule are captured in the fiscal year in which the agency agrees to changes in the rule as a result of Advocacy's intervention. Where possible, savings are limited to those attributable to small businesses. First-year and recurring annual cost savings are listed where applicable. Where cost savings are accrued during the prepublication draft stages of the rule, they are not publicly available.

Ordering Information

The full text of this report and summaries of other studies performed under contract with the U.S. Small Business Administration's Office of Advocacy are on the Internet at www.sba.gov/advo/research. Copies are available for purchase from:

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