

Report on the Regulatory Flexibility Act, FY 2008

Office of Advocacy, January 2009 [68 pages]

The Regulatory Flexibility Act (RFA), in tandem with the Small Business Regulatory Enforcement Fairness Act (SBREFA), requires federal agencies to examine the impact of their new and existing regulations on small entities. The RFA also requires agencies to consult with small business stakeholders during the rulemaking process to determine ways to minimize disproportionate impacts on small entities. Executive Order 13272 (E.O. 13272) has further strengthened the RFA's provisions and given Advocacy responsibilities for training government agencies in RFA compliance.

The Office of Advocacy also acts as a bridge between the small business community and federal regulators. Through research and outreach, Advocacy plays an important role in bringing small business voices to the regulatory table, while helping federal agencies achieve their regulatory goals.

The Report on the Regulatory Flexibility Act, FY 2008 summarizes Advocacy's efforts and reports on RFA compliance at federal agencies from October 2007 through September 2008. The report also covers agencies' compliance with E.O. 13272, and the results of Advocacy's Regulatory Review and Reform (r3) and Small Business Regulatory Flexibility State Model Legislation initiatives.

Highlights of the FY 2008 RFA Report

During fiscal year 2008, the Office of Advocacy:

- Realized nearly \$11 billion in foregone first-year regulatory cost savings for small entities;
- Submitted 33 public comment letters to federal employees on regulatory proposals;
- Held Regulatory Flexibility Act training sessions for more than 100 federal regulatory officials;

congressional staff, and small business stakeholders;

- Facilitated two new SBREFA panels with the Environmental Protection Agency, and finalized one SBREFA panel report with the Occupational Safety and Health Administration;
- Convened 28 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 three times; and
- Delivered the 2008 r3 Top 10 Rules for Review and Reform to the appropriate federal agencies for their action.

Additionally, successful implementation of the RFA at the federal level has led to the success of Advocacy's regional advocates in convincing states to adopt similar legislation to ease the burden of state regulations on small entities.

Small entities have stressed to Advocacy that the current economic climate makes it even more important for Advocacy to work with regulatory decision makers to minimize unnecessary regulatory burdens on small entities at both the federal and state levels.

Scope and Methodology

Advocacy generally bases its small business cost savings estimates on agency estimates. Cost savings for any given rule are captured for the fiscal year in which an agency proposes or finalizes changes in a rule as a result of Advocacy's efforts. Wherever possible, estimates are limited to cost savings realized by small entities. First-year and recurring annual

costs savings are listed where applicable. Because interagency communications are confidential during the prepublication draft stages of a rulemaking, cost savings achieved during those stages are not publicly available unless Advocacy has been given permission to disclose such information by the relevant agency.

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 available on the Internet at www.sba.gov/advo/research. Copies are available for purchase from:

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