



**Opening Statement  
Sam Graves  
Chairman  
Committee on Small Business  
Markup of H.R. 527 and H.R. 585  
United States House of Representatives  
Washington, DC  
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Good afternoon. This Committee meeting will come to order.

During the past two years, federal agencies have dramatically expanded their regulatory reach. Those regulations impose substantial costs on small businesses. So the scarce financial resources which could be used to hire employees must be diverted to regulatory compliance. In response to this ever expanding burden, President Obama, on January 18<sup>th</sup>, ordered the agencies that had been imposing these burdens to consider the impact on small businesses.

He became the third straight President ordering federal agencies to examine the consequences of their rules on small businesses – something that agencies have had to do for the past 30 years under the Regulatory Flexibility Act or RFA. In addition to the efforts of three Presidents, congressional committees in both houses and under Republican and Democratic leadership have held hearings about agency failure to comply. Finally, federal courts have enjoined enforcement of rules until agencies prepared analyses required by the RFA. Despite the concerted oversight efforts, federal bureaucrats continue to ignore the RFA.

It is incomprehensible to me that agencies remain either unable or unwilling to comply with the RFA. The legislation being considered at this markup was written with the express purpose of finally forcing agencies to live up to their responsibilities and really scrutinize the impacts of their actions on small businesses.

Some people may ask why there is so much concern about compliance with the RFA. The answer is simple – 99 percent of the businesses regulated by the federal government have less than 500 employees. If you are going to regulate businesses, it seems utterly logical that the federal agencies actually know what the consequences will be for almost all of the businesses that have to comply with their rules.

The bills being considered at this markup, H.R. 527 and H.R. 585 simply have procedures and requirements to ensure federal agencies understand the costs they are imposing on 99 percent of the businesses that they regulate.

I now recognize the Ranking Member, Ms. Velázquez for her opening remarks.