

**Aric Newhouse**

Senior Vice President  
Policy and Government Relations

February 4, 2015

U.S. House of Representatives  
Washington, DC 20515

Dear Representatives:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states, urges you to support H.R. 527, the Small Business Regulatory Flexibility Improvements Act, introduced by Rep. Steve Chabot (R-OH).

The burden of regulation falls disproportionately on manufacturers and is heaviest on very small manufacturers. Dollars spent by manufacturers of any size on compliance with unnecessarily cumbersome or duplicative regulations are dollars not spent on capital investment or hiring new employees. The 1980 Regulatory Flexibility Act (RFA) and its amendments in 1996 have saved billions of dollars for small businesses by requiring agencies to consider less costly regulatory alternatives for small firms and, in some cases, communicate directly with small business representatives when drafting a proposed rule. Unfortunately, only a small number of regulations now include an RFA analysis, primarily because agencies are allowed to determine when such analyses are necessary and appropriate.

The Small Business Regulatory Flexibility Improvements Act would strengthen the RFA by closing loopholes that agencies use to avoid its requirements. It would provide the Small Business Administration's Office of Advocacy authority to establish standards for when RFA analysis is to be conducted. H.R. 527 also would expand small business outreach requirements before rules are proposed and direct agencies to consider the indirect impact of their regulations on small businesses. The Act would ensure that regulations are designed in a way that protects public health, worker safety and the environment without placing unnecessary burdens on small businesses. Through careful analysis and an understanding of both intended and unintended impacts on stakeholders, agencies can improve their rules for small entities, leading to improved regulations.

The NAM's Key Vote Advisory Committee has indicated that votes on H.R.527, including procedural votes, may be considered for designation as Key Manufacturing Votes in the 114th Congress. Thank you for your consideration.

Sincerely,



Aric Newhouse

Key Manufacturing Vote