

**U.S. CHAMBER OF COMMERCE
SMALL BUSINESS COUNCIL**

MAXINE TURNER
CHAIR
SMALL BUSINESS COUNCIL

TOM SULLIVAN
VICE PRESIDENT
SMALL BUSINESS POLICY

January 18, 2017

The Honorable Steve Chabot
Chairman
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

The Honorable Jim Risch
Chairman
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

The Honorable Jeanne Shaheen
Ranking Member
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Chairmen Chabot and Risch and Ranking Members Velázquez and Shaheen:

On behalf of the Small Business Council of the U.S. Chamber of Commerce, I compliment you on the House passage of H.R. 5, which compiles several regulatory reform bills, including H.R. 55, the “Regulatory Accountability Act,” and H.R. 33, “the Small Business Regulatory Flexibility Improvements Act of 2017,” and urge the Senate to expeditiously consider regulatory reform legislation.

The Chamber represents the interests of over 3 million businesses, the majority of which are small firms. Those small businesses are the economic engine of America and we pledge to work with you on policies that would allow the engine to run at full speed.

The 62 million people employed at small firms represent about half of America’s private sector workforce. And, since 1995 small business is responsible for creating about two-thirds of the net new jobs in our country. The power of small business to create growth, spur innovation, hire workers, and improve communities throughout the United States is undisputed. However, the nation has experienced a decline in start-ups over the past decade and that trend threatens a full economic recovery.¹

¹ Ryan Decker, John Haltiwanger, Ron Jarmin and Javier Miranda, “The Secular Decline in Business Dynamism in the U.S,” Working Paper, 2014, at http://econweb.umd.edu/~haltiwan/DHJM_6_2_2014.pdf.

Undoubtedly, the growth of federal regulation over the past several years deserves part of the blame for anemic economic growth. In fact, complaints about the chokehold of federal mandates among small business owners has risen considerably and ranks as a top issue of concern for small businesses.²

I would like to share how federal regulations have affected my company, Cuisine Unlimited. In February 2016, we were awarded a major catering contract for all food services at the new performing arts center in our hometown of Salt Lake City. This contract meant a major investment in equipment, smallwares, and hiring of more than 50 additional staff, among other investments. Red tape made what should have been a golden opportunity into an unbelievable headache.

We immediately applied for an SBA loan, but soon learned that our 37-year-old, well established company did not qualify, even though we have had numerous successfully managed SBA loans in the past. Three banks informed us that our rating, according to new bank regulations imposed by Dodd-Frank, disqualified us from loan consideration.

Trying to navigate the complexities of the Affordable Care Act and anticipation of the new overtime rules forced us to hire part time staff instead of full-time, salaried positions with benefits. It should not be so hard for us to take advantage of a new contract. Why does it seem as though government is wind in my face instead of at my back?

Unfortunately, my story is not unique. As Chair of the Chamber's Small Business Council, I hear the story from small business owners across the country who are struggling with the weight of over burdensome regulation on their businesses.

One way to address the problems associated with unnecessary, duplicative, or excessive federal red tape is to guarantee that small business stakeholders like me have a place at the table when regulatory policy decisions are made. That is the concept embodied in the Regulatory Accountability Act and the Small Business Regulatory Flexibility Improvements Act included in H.R. 5 that passed the U.S. House of Representatives last week.

The U.S. Chamber of Commerce's Small Business Council is pleased that our new director, Tom Sullivan, has worked throughout his entire career to influence regulatory policy on behalf of small business. As Chief Counsel for Advocacy at the U.S. Small Business Administration from 2002-2008, Tom worked tirelessly to ease the weight of federal regulation on Main Street small business. He joins me, and the entire Council, in our desire to enact regulatory reform that would result in lasting red tape relief for America's small business community.

² Holly Wade, "Small Business Problems and Priorities," NFIB Research Foundation (August 2016), Page 14, (finding that government regulations moved up in importance from ranking fifth in 2012 to its current second place ranking (behind cost of health insurance) at <http://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf>.

Thank you for considering this letter and thank you for your leadership on small business policies. Please do not hesitate to contact Tom Sullivan at the U.S. Chamber of Commerce at (202) 463-3192 for any additional information about the views expressed in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Maxine Turner". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Maxine Turner
Founder, Cuisine Unlimited
Salt Lake City, Utah