



January 7, 2026

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

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

Re: Letter for the Record: Hearing titled “A Voice for Small Business: How the SBA Office of Advocacy is Cutting Red Tape”

Dear Chairman Williams and Ranking Member Velazquez:

Thank you for holding today's hearing, “A Voice for Small Business: How the SBA Office of Advocacy is Cutting Red Tape.” The U.S. Chamber of Commerce appreciates the opportunity to provide feedback on the importance of small business regulatory relief and, in particular, the importance of the Office of Advocacy within the U.S. Small Business Administration (SBA).

According to the most recent estimate, American businesses face more than \$2.15 trillion in regulatory costs, a figure equivalent to the entire GDP of Canada. Our work with the Bradley Foundation in 2017 revealed that because many regulatory costs are fixed, small businesses bear a regulatory cost burden on a per-employee basis that is roughly 20 percent higher than larger businesses with more employees. More recently, a MetLife & U.S. Chamber of Commerce Small Business Index revealed that more than half of America's small business owners view regulatory compliance costs as a barrier for growth.

The Regulatory Flexibility Act (RFA), amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA), was intended to rectify the disproportionate regulatory burden faced by small business by incorporating their concerns into the regulatory process and by insisting that federal agencies find ways to meet their regulatory objectives while minimizing costs on small businesses. The Office of Advocacy is responsible for overseeing agency compliance with the RFA and acts as an independent voice within the Administration to ensure that agencies are sensitive to how regulations impact small businesses. We urge your Committee to continue

supporting sufficient resources for, and the independence of the SBA Office of Advocacy, as well as robust implementation of the RFA. Also, we believe the RFA must be updated in order for the Office of Advocacy to better serve small businesses.

Earlier in this Congress, Committee Member Representative Finstad re-introduced H.R. 1163, the Prove It Act, that would modernize the RFA to help the Office of Advocacy better serve America's small business community. H.R. 1163, which was reported out of the Small Business Committee last summer, would ensure that regulators are fully transparent about costs that could harm small employers' ability to re-invest in their employees, improve their operations, and grow. The Prove It Act would also allow small businesses to challenge agencies' refusal to reduce regulatory burden. This would hold federal agencies accountable for ignoring small business input required by the RFA.

We applaud the Small Business Committee's leadership in shepherding the Prove It Act through the U.S. House of Representatives in the 118th Congress with support from more than 260 local, state, and regional chambers of commerce in 43 states.

We look forward to working with this Committee and House leadership to similarly shepherd the Prove It Act through a successful House vote in this Congress and to explore additional ways to provide America's small businesses with long term certainty for regulatory relief.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas M. Sullivan". The signature is fluid and cursive, with the first name "Thomas" and last name "Sullivan" clearly legible.

Thomas M. Sullivan
Senior Vice President
Small Business Policy
U.S. Chamber of Commerce