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Regulatory Flexibility Improvements Act Would Hinder Federal Agencies Charged With Protecting the Public

(Washington) – The Regulatory Flexibility Improvements Act (RFIA), passed by the House Small Business Committee on Wednesday, would hinder federal agencies charged with protecting the public. The RFIA (H.R. 2542) expands the reach and scope of regulatory review panels and would increase unnecessary regulatory delays, increase undue influence by regulated industries and encourage convoluted court challenges – all in the misused name of small business. Because the bill mandates these panels to look at ‘indirect costs’ and then defines that term very broadly, it could be applied to virtually any action an agency attempts to undertake.

“Most small businesses understand the need for regulations. What small business would really benefit from is compliance assistance from federal agencies, not review panels designed to inhibit rulemaking, which only benefit the offenders and typically foster an uneven playing field for small business competing against big business,” said Frank Knapp, Jr., co-chair of the American Sustainable Business Council Action Fund and President & CEO of the South Carolina Small Business Chamber of Commerce.

“This bill isn’t about helping real small businesses. It’s just using us as cover to push a big business agenda,” said Jim Houser, owner of Hawthorne Auto Clinic in Portland, Ore., and executive committee member of the Main Street Alliance small business network. “Undermining the rules of the road for the financial sector, insurance companies and big polluters won’t help small businesses. It will only shift risk and shift costs from big businesses – big banks, big insurance, big polluters – onto small businesses and our customers.”

Katherine McFate, president and CEO of the Center for Effective Government and CSS co-chair, said: “The agencies charged with protecting the public already face a gauntlet of procedural hurdles when they propose new or updated standards; this bill would increase them. It’s not an improvement; it means more obstruction.”

Robert Weissman, president of Public Citizen and CSS co-chair, said: “Here are examples of regulatory help that small businesses really could use from Congress and the federal government: crackdowns on monopolistic business practices, an end to utility and Wall Street manipulation of electricity prices and prohibition of unfair contract terms imposed by giant corporations on

franchisees and other small businesses. This bill has nothing to do with responding to real small business concerns and everything to do with advancing the Big Business anti-regulation agenda.”

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The Coalition for Sensible Safeguards is an alliance of consumer, labor, scientific, research, good government, faith, community, health, environmental, and public interest groups, as well as concerned individuals, joined in the belief that our country’s system of regulatory safeguards provides a stable framework that secures our quality of life and paves the way for a sound economy that benefits us all. For more information about the coalition, see [http://www.sensible safeguards.org/about us](http://www.sensible safeguards.org/about_us).