



April 26, 2012

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Issa and Ranking Member Cummings:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I am writing to express our strong support for the Committee on Oversight and Government Reform's markup of H.R. 4607, the Midnight Rule Relief Act, and H.R. 4078, the Regulatory Freeze for Jobs Act. NFIB looks forward to working with you to bring these bills to the House floor for a vote.

Regulatory uncertainty is a major problem facing small business owners. A recent study released by the U.S. Small Business Administration estimates that the cost of regulatory compliance for the smallest businesses is \$10,585 per employee per year – 36 percent more than their larger counterparts. Additionally, NFIB's monthly *Small Business Economic Trends* report consistently shows government requirements and red tape to be among the single most important problems facing small business owners. Small businesses desperately need the help of Congress to cut red tape.

The Midnight Rule Relief Act would place a moratorium on major "midnight regulations" – rules issued in a "lame-duck session", or the period of time between Election Day and a new administration's inauguration day. This important legislation would prevent regulations that have not been properly analyzed and open for public vetting. NFIB believes it is critical that the regulatory process not be bypassed in order to issue rules in the waning days of an administration's term. Uncertainty is one of the top concerns of small business owners – last minute rules by an outgoing administration could present a regulatory nightmare.

The Regulatory Freeze for Jobs Act would place a moratorium on finalizing major regulations until the unemployment rate reaches six percent or for two years, whichever is shorter. This legislation would provide certainty to small business owners for a defined period of time that no new major government mandates will be placed on their business. Importantly, it would allow agencies to continue to engage in the notice and comment processes at the heart of rulemaking. This allows small businesses the ability to engage agencies and provide input as to how agencies can still meet their goals while at the same time providing flexibility for small businesses. Both bills provide for common sense exemptions for rules including those addressing imminent health and safety threats, national security and the enforcement of criminal laws.

NFIB applauds the Committee for addressing these important small business issues and for taking action to advance these important reforms.

Sincerely,

Susan Eckerly
Senior Vice President
Public Policy