

Small business owners in Northern California often tell me that government regulation is interfering with their work, forcing them to raise prices and hire fewer workers. Although the Constitution authorizes only Congress to make laws within its limited powers, federal agencies are increasingly imposing costly regulations affecting these businesses. The Small Business Administration reported that the annual cost of regulations in 2008 was \$1.75 *trillion*. For a small business, the regulatory burden costs \$10,585 per employee annually. Furthermore, the current dynamic allows elected officials, who are accountable to the public, to blame unelected bureaucrats when problems arise. In order to rein in these excessive regulations, I believe Congress should require federal agencies to perform a comprehensive review of the economic costs of proposed rules and have the final say whether rules with major costs go into effect.

The House of Representatives recently passed two significant bills to restore proper limits on regulation. Last week, the House passed H.R. 527, the Regulatory Flexibility Improvements Act of 2011. This legislation would limit the costs of regulation by requiring that agencies consider indirect impacts in their economic analysis, just as they already do in their environmental analysis. In addition, it closes loopholes that have allowed some agencies to avoid weighing the costs and benefits of multiple alternatives when writing regulations.

This week, the House passed H.R. 10, the Regulations from the Executive in Need of Scrutiny (REINS) Act. The REINS Act requires Congress to approve any new major rule proposed by the Executive Branch before it can go into effect. A “major rule” is any rule that would result in an annual effect on the economy of \$100 million or more, a major increase in costs or prices for consumers, or significant adverse effects on the economy. While such rules are relatively few in number, they can have a devastating impact on small businesses, such as the new regulations on CAFE (Corporate Average Fuel Economy) standards that could cost as much as \$141 billion. Additionally, the legislation requires that Congress act within 70 legislative days to prevent unnecessary delays.

Both the REINS Act and the Regulatory Flexibility Improvements Act would strengthen Congressional oversight and accountability of the rule making process and help ensure that the American public can hold their elected officials accountable for the regulations coming out of Washington. I strongly supported House passage of these important reforms, and I hope that the Senate passes them without delay.