

Report on the Regulatory Flexibility Act, FY 2011

Office of Advocacy, February 2012, [66] pages

Purpose

Under the Regulatory Flexibility Act (RFA) and Executive Order (E.O.) 13272, federal agencies are required to consider the effects of their proposed and existing regulations on small entities and to examine alternatives that would minimize the small entity impacts while still meeting the regulations' purposes. Since the enactment of the RFA in 1980, the Office of Advocacy has worked with agencies to examine how their proposed regulations affect small entities. Advocacy is required by the both the RFA and E.O. 13272 to report annually on agency compliance.

Overall Findings

Overall, in FY 2011, the Office of Advocacy observed continued improvement in federal agencies with respect to their RFA and E.O. 13272 compliance. Advocacy's RFA training has helped many agencies see that the analytical process mandated by the RFA produces better and more informed regulatory decisions. Recent developments have also affected Advocacy's work. The Small Business Jobs Act of 2010 codified section 3(c) of E.O. 13272, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 added a new agency, the Consumer Financial Protection Bureau (CFPB), to the Small Business Advocacy Review panel process. In FY 2011, President Obama added new tools for implementing the regulatory flexibility provisions, including Executive Orders 13563 and 13579 and accompanying memoranda. The challenges of working with stakeholders and federal agencies to ensure that federal rules do not unfairly burden small businesses will continue, particularly as the new CFPB begins to issue regulations, triggering the full requirements of the RFA.

Highlights

In fiscal year 2011, the Office of Advocacy:

- Helped small businesses save \$11.7 billion in first-year regulatory costs and almost \$10.7 billion in annually recurring costs as a result of efforts to help agencies comply with the RFA's requirements.
- Submitted more than 50 public comment letters to federal agencies on regulatory proposals.
- Participated in or prepared to participate in the 13 small business advocacy review panels that were convened or planned by the Environmental Protection Agency.
- Reviewed hundreds of regulations to assess RFA compliance.
- Convened roundtables to solicit the opinions, views, priorities, and comments of small entity stakeholders on regulatory proposals.
- Trained dozens of regulatory staff at federal agencies in RFA implementation.

Scope and Methodology

This report is an account of how Advocacy worked to achieve cost savings for small entities and helped agencies comply with the RFA and E.O. 13272. It covers Advocacy's public activities with respect to regulatory development. Because part of the Office of Advocacy's involvement in regulatory development is achieved through confidential pre-proposal communication with agencies, the report does not reflect the sum total of Advocacy's accomplishments in this area.

The Office of Advocacy bases its cost savings estimates primarily on agency estimates, when available. In the alternative, cost estimates are obtained from the entities affected, their organizations, and/or the public record. Cost savings for a given rule as a

result of Advocacy's intervention are captured in the fiscal year in which the agency takes final action on the rule. First-year and recurring annual cost savings are listed where applicable. Where cost savings have accrued during the prepublication draft stages of the rule, they are not publicly available.

Ordering Information

The *Report on the Regulatory Flexibility Act, FY 2011* is available at www.sba.gov/advocacy/823/4798. Previous years' reports are also accessible from this page. Copies of the report are available for purchase from:

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