

The Honorable Steve Scalise
Majority Leader
House of Representatives
266 Cannon House Office Building
Washington, DC 20515

Dear Majority Leader Scalise,

On behalf of millions of small businesses across the country, we write to thank you for prioritizing legislation to provide regulatory relief and eliminate red tape for small businesses. To continue this momentum, we urge Congress to pass legislation, such as H.R. 1163 the *Prove It Act of 2025*, to strengthen the Regulatory Flexibility Act (RFA) and ensure the intent of the law is fulfilled.

Small businesses are grateful for the commonsense regulatory approach of the Trump Administration. It is a breath of fresh air for small businesses, who faced a \$1.8 trillion tsunami of new regulations that were finalized by the Biden Administration and 356 million hours of increased paperwork.¹ These burdens fall disproportionately on small businesses that do not have lawyers and compliance officers to navigate complex regulatory issues.

Thankfully, the Trump Administration's regulatory agenda has taken account of the disproportionate impact on small businesses, as bipartisan administrations have done in the past. In 2025, there has been a \$128.5 billion reduction in regulatory compliance costs and nearly a 51 million reduction in paperwork hours.² This is urgent relief for small businesses who have been crushed by federal overregulation and overreach into their businesses' operations. However, without Congressional action, this relief will only be short term, and small businesses will suffer from the regulatory pendulum swings that make long-term planning and investments so difficult.

In 1980, President Carter and Congress recognized the disproportionate impact federal regulations have on small businesses and unanimously approved the Regulatory Flexibility Act (RFA). The RFA sought to minimize regulatory burdens on small businesses. However, in the 45 years since the RFA became law, agencies have found ways to disregard or avoid many of the requirements.

In 2023, NFIB analyzed the Small Business Administration (SBA) Office of Advocacy's comment letters to federal agencies from January 2021 to January 2023 and found significant noncompliance

¹ Dan Goldbeck, The Biden Regulatory Record, American Action Forum, January 29, 2025, <https://www.americanactionforum.org/insight/the-biden-regulatory-record/>.

² Dan Goldbeck, Another Light Week, but with some Executive Orders, December 19, 2025, American Action Forum, <https://www.americanactionforum.org/week-in-regulation/another-light-week-but-with-some-executive-orders/>.

with the RFA.³ The Office of Advocacy highlighted 28 instances where agencies failed to adequately examine the economic costs of regulations and noted that agencies often improperly certify that rules will not have a significant impact on a substantial number of small entities. By doing so, agencies disregard the intent of the RFA, leaving small businesses subject to the one-size-fits-all regulatory environment the RFA sought to remedy. In 2024, the House Small Business Committee conducted a staff report examining agency compliance with the RFA and similarly found that most agencies are failing to properly comply with the RFA's requirements and live up the spirit of the law.⁴

Just recently, the SBA Office of Advocacy published its own report on agency noncompliance with the RFA and published an agency-by-agency report card on compliance with the law.⁵ Like the NFIB and House Small Business Committee reports, the Office of Advocacy's report found widespread agency noncompliance with the requirements of the RFA. Further the Office of Advocacy report proposes policy options to reduce agency noncompliance, one being H.R. 1163 the *Prove It Act of 2025*.

The *Prove It Act* has already passed the House Judiciary and Small Business Committees in the 119th Congress. Additionally, the *Prove It Act* passed the House of Representatives in 2024 with bipartisan support.

On behalf of millions of small businesses, thank you for your attention to the disproportionate impact of regulations on small businesses. We urge the House of Representatives to swiftly provide long-term regulatory relief for small businesses through legislation like H.R. 1163, the *Prove It Act of 2025*. We look forward to working with you this Congress to continue to reduce compliance burdens and red tape for small businesses.

Sincerely,

³ Rob Smith, *The Regulatory Flexibility Act: Turning a Paper Tiger Into a Legitimate Constraint on One-Size-Fits-All Agency Rulemaking*, National Federation of Independent Business Small Business Legal Center, May 2023, <https://strgnfibcom.blob.core.windows.net/nfibcom/NFIB-RFA-White-paper.pdf>.

⁴ House Committee on Small Business Staff Report 2024, *Regulatory Flexibility Act (RFA) Report: Agencies' Noncompliance with the RFA*, May 2024, https://smallbusiness.house.gov/uploadedfiles/05.22.2024_-_house_committee_on_small_business_rfa_report.pdf.

⁵ Dr. Casey Mulligan, *Unlawful Disregard for Small Business Regulatory Burdens: A Comprehensive Review of Biden Administration Rulemaking*, U.S. Small Business Administration Office of Advocacy, January 2026, <https://advocacy.sba.gov/wp-content/uploads/2026/01/Certification-Abuse-final-report.pdf>.