

SBA opens its review of small business regulations

By Robert Brodsky rbrodsky@govexec.com March 15, 2011

Are you a small business owner frustrated with outdated and often cumbersome regulations from the [Small Business Administration](#)? Then SBA wants to hear your suggestions on whether those rules should be streamlined, expanded, or possibly withdrawn altogether.

On Monday, SBA published a [notice](#) in the *Federal Register* asking the public to weigh in on the impact of its regulations and the best way to improve them.

"The primary objectives of this review are to make SBA's regulatory program more cost-effective and less burdensome on participants in the agency's programs while continuing to promote economic growth, innovation and job creation," the notice said. "SBA seeks public input on the design of a plan to use for periodic retrospective review of its regulations and an initial list of the rules to be reviewed under the plan."

The proposal comes on the heels of President Obama's January [executive order](#) calling for a governmentwide review of all federal regulations. The order said inefficient, out-of-date and burdensome regulations could be repealed if they were stifling private sector job growth.

The order instructs agencies to develop a plan for reviewing their regulations by mid-May. The plan, along with any supporting data, would then be made public, Obama wrote.

While the SBA notice did not cite specific regulations, it did say the retrospective review would focus on small business investment companies, surety bond guarantee, business loans, disaster loans, government contracting and Historically Underutilized Business Zones.

SBA recently concluded an exhaustive review of its 8(a) Business Development Program and now is examining size regulations. Neither will be subject to the new review.

The agency wants the public to comment not only on specific regulations, but also on how it should devise its preliminary plan "with a defined method and schedule for identifying certain significant rules that may be obsolete, unnecessary, unjustified, excessively burdensome, or counterproductive." Comments also should address how SBA can best evaluate and analyze its regulations and obtain accurate and objective cost data.

Commenters should consider the economic burden the regulation imposes on small business entities and whether the rule is duplicative or overlapping; paperwork could be reduced by allowing electronic submissions; the regulation has been discredited by new scientific information; and the issue could be better handled by trade organizations without federal involvement.

"Comments should focus on regulations that have demonstrated deficiencies," the notice said. "Comments that rehash debates over recently issued rules will be less useful. The public should focus on rule changes that will achieve a broad public impact, rather than an individual, personal, or corporate benefit."

Sen. Olympia Snowe, R-Maine, ranking member of the Senate Committee on Small Business and Entrepreneurship, encouraged the public to participate in the review.

"Excessive regulations are suffocating the entrepreneurial spirit of America's almost 30 million small businesses and, regrettably, small firms with fewer than 20 employees bear a disproportionate burden of

complying with these rules," Snowe said in a statement. "To spur job creation and economic growth, it is incumbent upon every level of government to simultaneously pursue sound incentives and eliminate the laws and policies already on the books that are proven impediments to these objectives."

Earlier this month, Snowe and Sen. Tom Coburn, R-Okla., introduced the [Small Business Regulatory Freedom Act](#), which would require agencies to calculate the direct and indirect economic impact of federal regulations. Small business review panels would be installed at all agencies and small businesses also would be allowed to challenge proposed regulations in court.

Comments for the SBA notice must be submitted by April 13. Comments can be submitted electronically at regulations.gov, or mailed to the SBA Office of the General Counsel, 409 Third Street SW., Washington, D.C., 20416.

The review plan, along with an initial list of regulations that will be evaluated, is expected to be complete by late May or early June and will be available on SBA's [Open Government](#) Web page.