

April 30th 2025

Representative Roger Williams
Chairman, House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

Representative Nydia M. Velázquez
Ranking Member, House Committee on Small Business
2069 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Williams and Ranking Member Nydia:

On behalf of Earthjustice, I strongly **urge you to oppose H.R. 1163, the Prove It Act**, which would further a dangerous deregulatory agenda to restrict federal agencies from protecting our environment, health, safety, workforce, and civil rights.

The Prove It Act is an unnecessary deregulatory legislative proposal that seeks to address a problem already addressed by existing Federal law. Proponents of the bill believe small businesses are not allowed enough opportunities to engage directly with agencies to impact the policies, ultimately limiting and hindering their ability to conduct business, create jobs, and compete with larger corporations. The narrative that the rulemaking process leaves small businesses little to no opportunity to address potential economic impacts and engage directly is inaccurate and perpetuates dangerous deregulatory propaganda.

Despite being debilitatingly underfunded, agencies are charged with complying with overarching federal requirements that consider impacts on all industries, including small businesses. Agencies, when proposing new rules, are legally bound by the constraints of the authorizing statute passed by Congress, the Administrative Procedure Act, providing appropriate notice and comment opportunities to the public, listening to the public and regulated entities (including small businesses), and carefully reviewing all submitted comments. Small businesses are provided multiple avenues to engage in the rulemaking process and compliance resources through state and federal government offices, including the US Small Business Administration. Businesses can use the Office of Advocacy and the Office of the National Ombudsman within the U.S. Small Business Administration (SBA) to address compliance concerns, make regulatory reform recommendations, and handle enforcement issues.

H.R. 1163 is a tool to help polluting corporations limit their compliance responsibilities and unfairly shift the cost of business to the public. Like other past attempts, this bill seeks to expand the scope and authority of the Regulatory Flexibility Act, which would increase unnecessary and lengthy regulatory delays and encourage costly litigation. The Regulatory Flexibility Act (RFA) already requires agencies to consider alternatives to proposed regulations to limit economic burdens to small entities while still achieving the desired regulatory goals. Agencies must conduct an initial regulatory flexibility analysis, assessing potential impacts on small entities, and consider the feedback provided by small entities during the rulemaking process. This bill would cost additional resources and time by allowing small entities to require duplicative regulatory analysis of rules they would rather not comply with.

Most concerning are the provisions of H.R. 1163, which allow any small entity or organization representing a small entity to petition the Chief Counsel of Advocacy for the Small Business Administration to direct any agency to adopt a new determination of the economic impact on small businesses. If the agency does not do so or “in any other way fails to assist the Chief Counsel,” the rule will be ineffective and invalidated for all small entities.

Regulations are vital to the public and small businesses, yielding many benefits that outweigh the costs. The Prove It Act seeks to delay these public protections at the detriment of the environment and the public, yielding health and environmental benefits for all who live here. While regulations are associated with compliance costs and administrative burdens, they can also provide significant benefits to small businesses, including but not limited to bolstering consumer confidence in their products and services, leveraging the playing field by setting standards all must meet, including larger competitors and preventing monopolies or unsafe work environments, access to certain kinds of federal contracts, and limiting legal liabilities related to workplace safety or product safety issues.

For all the reasons stated above, H.R. 1163 should be opposed.

Thank you for your consideration.

Sincerely,

Brielle L. Green

Senior Legislative Counsel,
Earthjustice