WTO Thematic Session on Regulatory Cooperation

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Office of Advocacy
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What is the Office of Advocacy?

• Independent office within the U.S. Small Business Administration, 1976, P.L. 94-305
  – Executive Order 12866, Circular A-4
  – Executive Order 13272, 2002
  – Congressional Review Act
  – Researching the importance of small businesses to the U.S. economy and issues that are vital to their interests
Advocacy’s Toolbox

- **Regulatory Flexibility Act (RFA)**
  - Mandates that federal agencies consider the impact on small businesses before a regulation is proposed

- **Small Business Regulatory Enforcement Act (SBREFA)**
  - Mandates that certain agencies convene panels of federal officials and small businesses whenever a proposed rule may have a significant economic impact on substantial number of small businesses

- **Executive Order 13272**
  - Mandates that agencies notify Advocacy of upcoming rules that may have a significant impact, and respond publicly to Advocacy’s comment letters
The Office of Advocacy

**Interagency Affairs**

- Partners with federal agencies, Congress, and the White House during the regulatory process
- Hosts regulatory roundtables and conducts outreach throughout the United States
- Elevates small business concerns and facilitates greater consideration

**Economic Research**

- Conducts, sponsors, and promotes economic research and data to facilitate small business growth
- Provides regulatory flexibility and economic analyses during Advocacy’s regulatory review process
- Hosts economic forums on small business issues
Major Clark, III

Deputy Chief Counsel for Advocacy

- Performs the non-exclusive functions and duties of the Chief Counsel for Advocacy
- Since 1998, has worked at Advocacy as Assist. Chief Counsel for Procurement
- Heads Advocacy’s international trade team
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Role of Small Business in the Economy

1. SBs make up 99.7 percent of U.S. employer firms.
2. SBs have created 66 percent of net new private-sector jobs over the past 25 years.
3. SBs represent 97.5 percent of firms exporting goods.
4. There are 31.7 million SBs in the U.S.
5. SBs produced 16 times more patents per employee than large businesses.
How is a small business defined?

• The Office of Advocacy defines a small business for research purposes as an independent business having fewer than 500 employees.

• Reality: It varies by industry, number of employees, and annual revenues.
  – See SBA’s Office of Size Standards for a complete list.

• There are almost 24 million small businesses in the United States.
Cost Savings & Success Stories

• In Fiscal Year 2021, the Office of Advocacy saved small businesses over $3.2 billion in potential regulatory costs.

  – Ex: Advocacy worked with the EPA to eliminate a series of unnecessary universal monitoring and benchmark tests and encouraged EPA to add other flexibilities for small entities. The changes led to $22.8 million in estimated cost savings.
Thank you.

Any Questions?

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