



COALITION FOR SENSIBLE SAFEGUARDS

The Federal Small Business Advocacy Office Has Lost its Way:

How a little-known federal agency has been pushing the interests of large corporations at the expense of everyone else

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ABOUT THE COALITION

The Coalition for Sensible Safeguards is an alliance of more than 220 consumer, labor, scientific, research, faith, community, environmental, small business, good government, public health, and public interest groups — representing millions of Americans.

We are joined in the belief that our country's system of regulatory safeguards should secure our quality of life, pave the way for a sound economy, and benefit us all.

The coalition is led by an executive committee co-chaired by Public Citizen and Consumer Federation of America. The committee also includes the AFL-CIO, the Center for Progressive Reform, the Economic Policy Institute, the Natural Resources Defense Council, and the Union of Concerned Scientists.

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Key Findings

Since day one of his second term, President Donald Trump has unleashed an unprecedented assault on the regulations that protect consumers, workers, our environment, and America's public health and safety. Even more aggressive and damaging than the regulatory rollbacks of his first term, the Trump administration has catered to the interests of large and wealthy corporations. These corporations seek to change the rules to help themselves at the expense of Americans and their families who benefit from regulatory protections. While corporate special interests have reaped the rewards, the public has paid the price and the Trump administration's regulatory rollback agenda has done nothing to improve the economy for American families as the president promised.

Behind the scenes, one small government office has been a key player in driving the Trump administration's economy rigging agenda: The Small Business Administration's Office of Advocacy (SBA Advocacy). This little-known office claims to be "independent" and "represent the views of small business in the federal regulatory process." Yet, this report takes a closer look at SBA Advocacy's track record and reveals an office that is ideologically driven, working against presidents who seek to put in place new regulations that protect the public and heavily supporting presidents who seek to put corporate profits above commonsense regulatory protections. As this report will show, SBA Advocacy has:

- Commissioned a research report on the costs of regulation that was so poorly constructed and roundly criticized that it was eventually disavowed by SBA Advocacy itself.
- Commissioned *another* research report on the costs of regulation from the same discredited authors as the first report, which was eventually cancelled after pressure from Congress.
- Engaged in much higher levels of activity and output when Democrats are president as compared to when Republicans are president, which in practice slowed down and obstructed the regulatory agendas of Presidents Barack Obama and Joe Biden while fast-tracking the rigging of the economy against ordinary Americans under President Trump.
- Taken recent actions that explicitly support Trump's second term regulatory rollback agenda such as establishing a "hotline" for small businesses to complain about regulations and producing reports that criticize Biden's regulatory actions.
- Worked closely with corporate lobbyists that represent large corporations to block regulations on toxic chemicals.

Because little attention has been paid to SBA Advocacy, it has been allowed to continue its ideologically driven agenda that has made Americans less safe by opposing and undermining regulations that protect the public. It has also abandoned its mission of ensuring the perspective of small businesses are considered, ignoring Trump policies that hurt small businesses and

instead focusing on pushing the interests of large corporate actors over anything else. This report shines a light on SBA Advocacy and calls on Congress and future presidents to either abolish it outright or ensure it is rebuilt from scratch.

Introduction

In 2010, SBA Advocacy released a report that raised concerns and drew headlines. The report, often referred to as the “Crain and Crain” report after its authors Nicole and Mark Crain, claimed that government regulations cost small businesses an eye-popping \$1.75 trillion every year.¹ The report’s top-line number immediately became the leading talking point for opponents of Obama’s regulatory agenda, which they argued was crushing small business. It received widespread attention in national media outlets,² was featured in congressional hearings³ after Republicans took back the House of Representatives in the 2010 midterm elections, and was cited by Mitt Romney’s 2012 presidential campaign.⁴

There was a significant problem: the report had serious and fundamental methodological flaws. For example, when the nonpartisan Congressional Research Service (CRS) attempted to recreate the report’s \$1.75 trillion regulatory cost figure, it found that the cost figure had been significantly overstated.⁵ Officials in the Obama administration took the unusual step of publicly criticizing the report with the head of the U.S. Office of Information and Regulatory Affairs calling it “deeply flawed.”⁶ When questioned by CRS, the authors made the striking admission that they did not intend for the report to be used for policymaking purposes, because it only focused on the costs of regulation while wholly ignoring the benefits.⁷

Ultimately, the report received so much criticism and backlash that SBA Advocacy, which commissioned the report, was forced to disavow it, stating “the findings of the study have been taken out of context and certain theoretical estimates of costs have been presented publicly as

¹ Nicole V. Crain and W. Mark Crain, *The Impact of Regulatory Costs on Small Firms*, September 2010, available at https://www.researchgate.net/publication/286350317_The_Impact_of_Regulatory_Costs_on_Small_Firms (unable to find any link to the report on SBA Advocacy’s website).

² Glenn Kessler, *Is Obama Bad for Business?*, WASH. POST (Jan. 14, 2011, 6:00 AM), available at http://voices.washingtonpost.com/fact-checker/2011/01/is_obama_bad_for_business.html (quoting Thomas Donohue, President of the U.S. Chamber of Commerce, and Rep. Darrell Issa (R-Calif.), Chairman of the House Oversight Committee, who both cite Crain and Crain’s study).

³ Ben Somberg, *Center for Progressive Reform, Debunked SBA Regulatory Costs Study Front and Center at House Energy & Commerce Committee Hearing*, July 2011, available at <https://progressivereform.org/cpr-blog/debunked-sba-regulatory-costs-study-front-and-center-at-house-energy-commerce-committee-hearing/>.

⁴ Mitt Romney, *Op-Ed., Romney: My Plan to Turn Around the U.S. Economy*, USA TODAY, Sept. 6, 2011, at A11 (“With scant regard for the costs imposed on consumers and businesses, President Obama has vastly expanded the regulatory reach of government. The federal government has estimated the price tag for its regulations at \$1.75 trillion.”).

⁵ Curtis Copeland, *Congressional Research Service, R41763, Analysis of An Estimate of The Total Costs of Federal Regulations, 27–28* (2011).

⁶ Bloomberg, “Rules Study Backed By Republicans Deeply Flawed Sunstein Says,” June 3, 2011, available at <https://www.bloomberg.com/news/articles/2011-06-03/rules-study-backed-by-republicans-deeply-flawed-sunstein-says>.

⁷ See supra note 5.

verifiable facts.”⁸ Unfortunately, the acknowledgment came too late to prevent the report from being often cited by opponents of regulatory protections and thus thoroughly polluting the debate over regulation.

Yet, this is hardly the end of the story. In 2018, SBA Advocacy decided to commission another report from the same discredited authors to once again study the annual costs of federal regulation. Fortunately, U.S. Sens. Jeanne Shaheen (D-N.H.) and Heidi Heitkamp (D-S.D.) quickly wrote a scathing letter demanding that SBA Advocacy explain how and why the new report was commissioned.⁹ Ultimately, SBA Advocacy canceled the contract for the new report.

What would drive a government agency to “double-down” by attempting to issue another report by the same discredited authors after the first one had been formally disavowed?

As this report will show, SBA Advocacy is hardly the “neutral” or “independent” government agency it should be. Rather, it is a highly ideologically driven agency that undermines and obstructs regulatory agendas under presidents who seek to protect the public and small businesses by adopting stronger health, safety, and environmental safeguards, as well as economic standards that level the playing field for small businesses. At the same time, it aligns with and supports a so-called “deregulatory” agenda that “minimizes the perspective of workers, consumers, and the public, and adopts the viewpoint of the powerful economic actors being regulated.”¹⁰

Background and History: SBA Advocacy and the Regulatory Flexibility Act

Congress created the Office of Advocacy within the SBA in 1976 headed by a chief counsel appointed by the president and confirmed by the Senate.¹¹ Its mission is to be “an independent voice for small business in policy deliberations.” In 1980, the Office of Advocacy was delegated significant authority with the passage of the Regulatory Flexibility Act (RFA),¹² which requires federal agencies to consider and analyze the impacts of their regulatory proposals on small businesses. Thus, one of the primary duties of the Office of Advocacy is to ensure federal agency compliance with the RFA.

The RFA is layered onto the bedrock law that governs the regulatory process, the Administrative Procedure Act (APA),¹³ that all federal agencies have to follow when issuing new regulations or

⁸ Government Executive, “Regulations May Not Really Cost 1.75 Trillion a year SBA Office Concedes,” October 3, 2013, available at <https://www.govexec.com/oversight/2013/10/regulations-may-not-really-cost-175-trillion-year-sba-office-concedes/71290/>.

⁹ Press Release, U.S. Senate Committee On Small Business and Entrepreneurship, “Shaheen, Heitkamp to SBA Office of Advocacy: Explain Hiring of Controversial Research Firm,” January 3, 2018, available at <https://www.sbc.senate.gov/public/index.cfm/2018/1/shaheen-heitkamp-to-sba-office-of-advocacy-explain-hiring-of-controversial-research-firm>.

¹⁰ Sam Berger, *Avoiding the Deregulatory Trap*, Coalition for Sensible Safeguards 3 (2026), <https://sensiblesafeguards.org/wp-content/uploads/Myth-of-Deregulation-Report.pdf>.

¹¹ Congressional Research Service, “SBA Office of Advocacy: Overview, History, and Current Issues,” March 30, 2022, available at <https://www.congress.gov/crs-product/R43625>.

¹² 5 U.S.C. §§ 601-612.

¹³ 5 U.S.C. §§ 551-559.

repealing existing ones. The APA generally requires agencies to allow the public to comment on a proposed regulation prior to finalizing that regulation. Additionally, the RFA requires agencies to determine whether a proposed regulation will "have a significant economic impact on a substantial number of small entities" and, if so, publish an analysis of what those impacts will be.¹⁴ The law applies equally to regulations that put in place protections and those that reduce them; when regulatory protections are undermined, small businesses can suffer negative impacts as a result.

The integrity and legitimacy of the regulatory process is based on its neutral and equal application, whether a new regulation is being put in place or an existing regulation is being repealed. This is reflected in the APA, which federal agencies must comply with when taking regulatory action, regardless of whether the action is adding or eliminating protections. If the APA only applied when agencies issued new regulations or strengthened existing ones, but not when they rolled back regulations, it would result in a regulatory process that is "rigged" in favor of large corporations and powerful economic interests.¹⁵

Just like the APA, Congress intended for the RFA to apply neutrally and equally whether a regulatory action is adding or eliminating protections.¹⁶ The criteria stated in the RFA for when it applies, whether a regulatory action has a "significant economic impact on a substantial number of small entities,"¹⁷ is neutral and makes no reference to whether the impact is negative or positive on small businesses.¹⁸

Empirical Analysis Reveals SBA Advocacy is Ideologically Driven

A close analysis of SBA Advocacy over the last several administrations reveals a distinct pattern: SBA Advocacy produces significantly more activity and engagement under Democratic presidents than Republican ones.

The discrepancy between SBA Advocacy's activity and output between Democratic and Republican administrations is an outlier among federal agencies. While it is typical for federal agencies to adopt different policies under Democratic and Republican administrations to implement their respective policy agendas, the total volume of activity and output does not dramatically differ depending on who is president.¹⁹ That is not the case for SBA Advocacy. Indeed, SBA Advocacy's highly unusual pattern of increased activity under Democratic

¹⁴ 5 USC § 605(b).

¹⁵ Congressional Research Service, "Agency Rescissions of Legislative Rules," February 8, 2021, available at <https://www.congress.gov/crs-product/R46673>.

¹⁶ 5 USC § 601(b) (cross-references definition of "rule" from the APA).

¹⁷ 5 USC § 605(b).

¹⁸ 126 Cong. Rec. H8,468 (daily ed. Sept. 8, 1980) ("Agencies may undertake initiatives which would directly benefit such small entities. Thus, the term 'significant economic impact' is neutral with respect to whether such impact is beneficial or adverse.").

¹⁹ The George Washington University Regulatory Studies Center, "Active Actions Published In The Unified Agenda," Retrieved 6/9/2026, available at https://regulatorystudies.columbian.gwu.edu/sites/g/files/zaxdzs4751/files/2024-07/active_actions_by_unified_agenda.pdf.

presidents and decreased activity under Republican presidents strongly suggests SBA Advocacy is a partisan and ideologically driven agency that works against the regulatory agendas of Democratic presidents and in favor of the economy-rigging agendas of Republican presidents. This is even more evident when combined with its past controversies and current partisan stance as detailed later in this report.

A Tale of Two Stories: SBA Advocacy by the Numbers Across Administrations

One of the main functions of SBA Advocacy is to provide feedback to federal agencies on regulatory proposals impacting small businesses. SBA Advocacy does this primarily in two ways: first by sending formal public comments on proposed regulations during the public comment period; and second by holding small businesses review panels for three agencies in particular, the U.S. Environmental Protection Agency (EPA), the U.S. Consumer Financial Protection Bureau (CFPB), and the U.S. Occupational Safety and Health Administration (OSHA). This is required under the Small Business Regulatory Enforcement Fairness Act (SBREFA) which amended the RFA.²⁰

When submitting formal public comments on proposed regulations during the public comment period, SBA Advocacy acts like any other interested member of the public that participates in the public comment process. However, agencies must give preferential treatment to public comments submitted by SBA Advocacy under the Small Business JOBS Act of 2010. That law states that agencies are required in the final rule to include a “response to any comments filed by the Chief Counsel of the Office of Advocacy” and “a detailed statement of any change made to the proposed rule in the final rule as a result of the comments.”²¹

A public comment letter from SBA Advocacy that is critical of a proposed regulation’s impacts on small business can create political pressure for the agency issuing the regulation. This is because opponents of the regulation can point to SBA Advocacy’s comments when framing the regulation as negatively impacting small business.²²

For the three agencies that are required to hold small business review panels, this is an involved and time-consuming process that adds a significant extra step to federal rulemaking. Under SBREFA, the three agencies must undertake the small business review panel, prior to proposing the regulation.²³ The agencies must first identify small businesses impacted by the regulation,²⁴ invite them to participate in the panel, convene the panel, and finally produce a report within 60 days of the completion of the panel summarizing the feedback from the small businesses that

²⁰ 5 U.S.C. § 609(d)(2).

²¹ 5 U.S.C. § 604(a)(3).

²² See U.S. House Small Business Committee, Hearing, “Burdensome Regulations: Examining The Biden Administration’s Failure To Consider Small Business,” May 22, 2024, available at <https://www.congress.gov/event/118th-congress/house-event/117239/text>.

²³ 5 U.S.C. § 609(b).

²⁴ U.S. Department of Labor, Occupational Safety and Health Administration, “Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA),” available at <https://www.osha.gov/smallbusiness/sbrefa>.

participated in the panel.²⁵ This typically adds months to the rulemaking process for these three agencies and places pressure to make changes to the rules that minimize the impact on business, regardless of whether doing so weakens the rule's public protections.

Clearly, it makes a meaningful difference in the rulemaking process if SBA Advocacy submits comments on a proposed regulation, validates small business support or opposition to a regulation, or facilitates a small business panel. This is why it matters if there is asymmetry between the number of comments submitted by SBA Advocacy, and the number of small business review panels held, when Democrats are president compared to when Republicans are president. And that is exactly what the data shows.

An analysis of the number of small business review panels that were held from the passage of SBREFA in 1996 to present reveals a partisan pattern where significantly more small business review panels are held under presidents that are Democrats than presidents that are Republican. Small business review panels began well into President Bill Clinton's second term. Despite this, data from SBA Advocacy's website²⁶ reveals there were a total of 24 small business review panels under this portion of President Clinton's terms, while there were only a total of 20 small business review panels during the entirety of President George W. Bush's two terms.

Recently, the pattern has become even more evident as there were dozens of small business review panels completed on regulations issued by Obama and Biden, while only a few were held on regulatory rollbacks issued by Trump during his first term and none have been held thus far during his second term. A total of 31 small business review panels were completed under the Obama administration. By contrast, only three small business review panels were completed during the first Trump administration.²⁷ Under the Biden administration, 22 small business review panels were completed.²⁸ So far under the current Trump administration, no small business review panels have been initiated or completed.²⁹ In sum, there were 53 small business review panels completed under the Obama and Biden administrations and only three small business review panels completed under both the past and current Trump administrations.

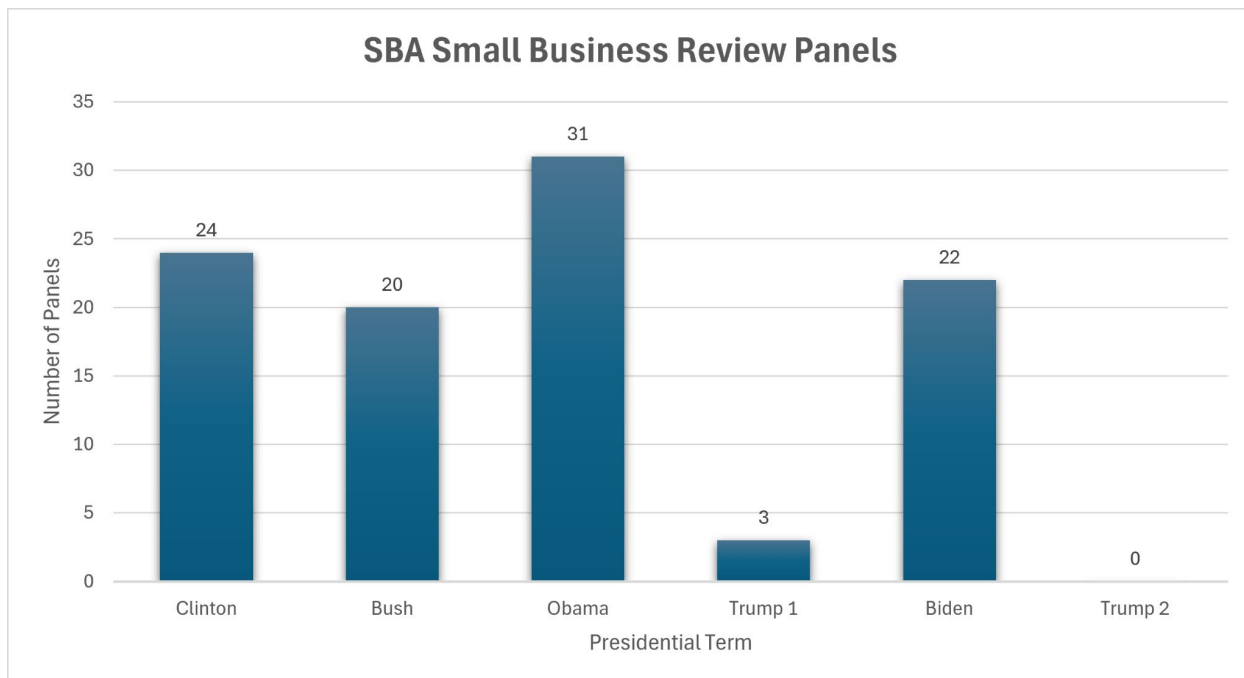
²⁵ *Id.*

²⁶ Small Business Administration, Office of Advocacy, Reference Library, SBREFA panels, available at <https://advocacy.sba.gov/resources/reference-library/sbrefa/>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*



There are also numerous instances where a small business review panel was held when a regulation was first put in place, and then when the regulation was rolled back, there was no small business review panel. Then there was *another* small business review panel when the regulation was put back into place after being rolled back.

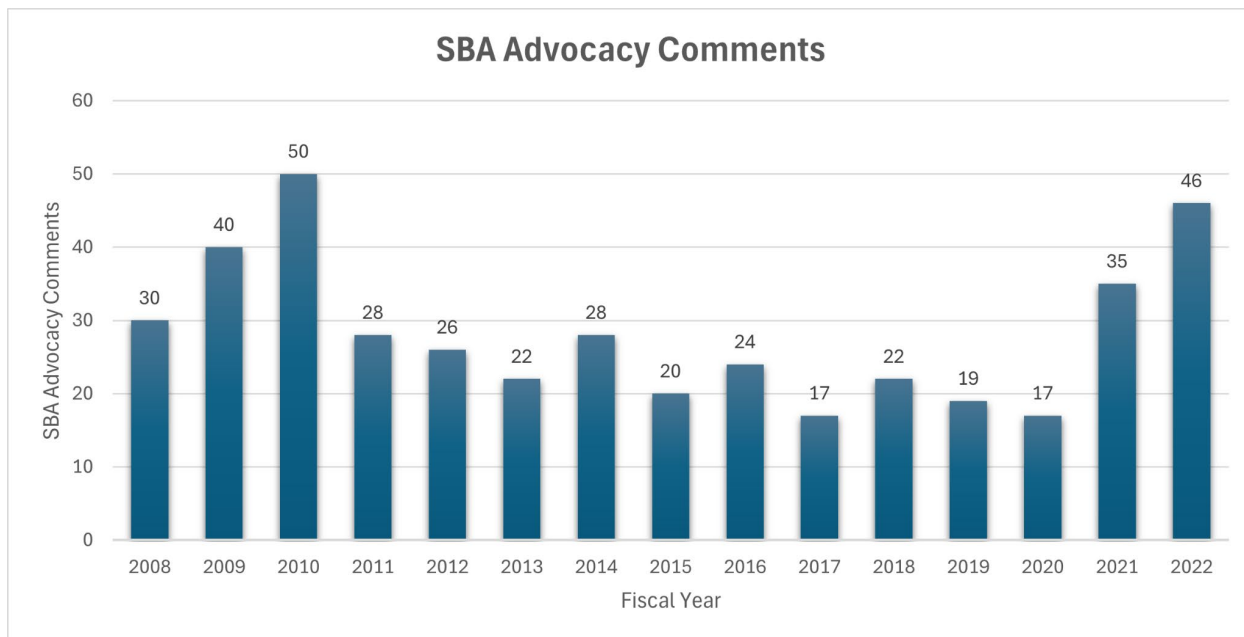
For example, EPA convened a small business review panel under the Obama administration when it issued a regulation to limit methane emissions, one of the most potent greenhouse gases leading to climate change. Then, when the EPA rolled back that regulation during Trump’s first term, EPA did not convene another small business review panel. And finally, a second small business review panel was held when the EPA under the Biden administration issued a new methane regulation.

The same occurred with the EPA’s regulation of lead in drinking water. EPA convened a small business review panel under Obama, but not when it weakened the regulation under Trump. It then held a second panel under Biden when a new lead regulation was put in place. Similarly, when the CFPB first regulated predatory payday lenders, the agency convened a small business review panel. Yet, when the CFPB under Trump’s first term rolled back a portion of the payday lending regulation, the agency did not initiate a small business review panel.

SBA Advocacy also submitted more public comments under Democratic presidencies than Republican ones, although the discrepancy is not as pronounced as with the small business review panels. As the chart below shows, the years in which SBA Advocacy submitted the most comments were FY 2012 under Obama and FY 2023 under Biden.³⁰ Averaging the total number of comments submitted during each administration also underscores the pattern of SBA

³⁰ Small Business Administration, Office of Advocacy, Annual Reports to Congress on the Regulatory Flexibility Act, available at <https://advocacy.sba.gov/category/resources/annual-reports-on-the-rfa>.

Advocacy being significantly more active during Democratic administrations. During the Obama administration, SBA Advocacy submitted on average approximately 31 public comments per year. That average dropped to approximately 21 public comments submitted per year by SBA Advocacy during the Trump administration’s first term. During the first two years of the Biden administration,³¹ SBA submitted on average 33 public comments per year. In sum, SBA Advocacy submitted roughly 50% more public comments during the Obama and Biden administrations than it did during the Trump administration.



The dichotomy between SBA’s Advocacy’s activity under Democratic and Republican presidents could be explained if it correlated with a higher or lower number of regulatory actions depending on the political party of the president. However, studies show that this is not the case according to at least two data points.

Data published by the George Washington University Regulatory Studies Center – a bastion of anti-regulatory scholarship³² – shows that the number of rules published in the Federal Register by presidential year have largely been on the decline since 1995. This decline is counter to often asserted false claims of “overregulation” by Republicans, which the Office of Advocacy commonly alleges when defending its disparities.

Additionally, the same research shows active actions published in the Unified Agenda are roughly consistent across administrations, contradicting claims that there are significant disparities between administrations.³³ This makes sense because putting a new regulation in

³¹ The number of public comments submitted by SBA Advocacy during President Biden’s final year is not publicly available.

³² Public Citizen, “GW’s Regulatory Studies Center: A Key Cog in Charles Koch’s Master Plan,” June 3, 2019, available at <https://www.citizen.org/article/koch-cog-rsc/>.

³³ The George Washington University Regulatory Studies Center, “Active Actions Published In The Unified Agenda,” Retrieved “6/9/2026,” available at

place or repealing an existing regulation both require rulemaking under the APA, and hence publication in the Federal Register. Thus, the wide disparity in SBA Advocacy activity cannot be accounted for by a disparity in the volume of regulatory activity across administrations.

Another possible explanation is that SBA Advocacy simply reads the RFA to apply in a one-sided manner only when new regulations are put in place, and not when existing regulations are rolled back. Yet this explanation is contradicted by SBA Advocacy's own interpretation of the RFA.

According to SBA Advocacy's guidance to federal agencies on how to comply with the RFA,³⁴ Congress intended for the RFA to be "neutral" with respect to whether a regulatory action harms or benefits small business.³⁵ The RFA is triggered both when a regulation is put in place that harms or benefits small businesses as well as when an existing regulation is rolled back that benefits or harms them. SBA Advocacy's volume of activity and engagement should be similar under both Democratic and Republican presidents, even under its own interpretation of the RFA.

The remaining explanation for the disparity is that SBA Advocacy is an ideologically driven agency that blocks and obstructs the regulatory agendas of Democratic presidents while doing the opposite under Republican presidents to advance their efforts to rig the economy for large corporations and other powerful economic interests.

SBA Advocacy Takes Sides in Favor of President Trump

Further evidence of SBA Advocacy's ideological agenda is its recently established "Red Tape Hotline" for small businesses to call to "report burdensome regulations." The hotline is displayed prominently on the SBA Advocacy website's homepage.³⁶ The hotline is meant to advance Trump's agenda of rolling back regulations by pointing to small business complaints about certain regulations.

What is most telling is that the Red Tape Hotline focuses only on criticisms of regulations in an asymmetric way that ignores the inclusion of benefits of a regulation, and ignores mention of the trade tariffs that have been imposed by President Trump,³⁷ which have been repeatedly cited as the federal policy that is most hurting small business.³⁸ SBA Advocacy's mission is to serve as "the independent voice for small business in policy deliberations," yet it is not currently actively

https://regulatorystudies.columbian.gwu.edu/sites/g/files/zaxdzs4751/files/2024-07/active_actions_by_unified_agenda.pdf.

³⁴ Small Business Administration, Office of Advocacy, "A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act," available at <https://advocacy.sba.gov/wp-content/uploads/2019/07/How-to-Comply-with-the-RFA-WEB.pdf>.

³⁵ *Id.* at 23.

³⁶ Homepage of SBA Advocacy Website, available at <https://advocacy.sba.gov/>.

³⁷ Homepage of SBA Advocacy Website, available at <https://advocacy.sba.gov/resources/hotline/>.

³⁸ CNBC, "How Trump's tariffs are crushing small businesses while big retailers weather the costs," November 7, 2025, available at <https://www.cnbc.com/2025/11/07/how-trumps-tariffs-are-crushing-small-businesses.html>; U.S. Chamber of Commerce, "Helping Small Businesses Navigate Tariffs: Seeking Relief, FAQs," April 15, 2025, available at <https://www.uschamber.com/small-business/small-business-faq-what-you-need-to-know-about-tariffs>.

seeking concerns about tariffs from small businesses and sharing them publicly with the Trump administration. SBA Advocacy has a history of weighing in on issues related to trade and impacts on small business that the current SBA Advocacy is conspicuously failing to raise.³⁹

SBA Advocacy appears willing to solicit small business concerns about regulations only when it aligns with and supports President Trump's economy-rigging agenda. SBA seems to reject small business concerns about the harmful economic impact of tariffs, which avoids undermining Trump's trade agenda. This supports how SBA Advocacy is hardly "neutral" or "independent."

The former chief counsel of SBA Advocacy nominated by President Trump, Casey Mulligan, had been the key individual taking actions that make clear that SBA Advocacy is explicitly in favor of advancing the Trump administration's policy agenda. During Mulligan's tenure, SBA Advocacy produced a "2025/2026 First Year Report" that highlighted "Deregulatory Activity in Trump 47."⁴⁰ The report praises the Trump administration's economy-rigging efforts, stating:

Trump 47 has committed to unleashing American prosperity through eliminating over-regulation. During the Biden administration, bureaucrats finalized 12,000 rules that would cost \$6 trillion economy-wide. President Trump came into office seeking solutions, and Advocacy has led the charge in slashing red tape for small businesses.⁴¹

Former Chief Counsel Mulligan, who was previously chief economist of the Council of Economic Advisers during Trump's first term, authored a report he released on his first day on the job. The report entitled "Unlawful Disregard for Small Business Regulatory Burdens: A Comprehensive Review of Biden Administration Rulemaking" attacks the Biden administration for what Mulligan claims is noncompliance with the RFA.⁴² The report purports to find that thousands of rules issued by the Biden administration did not trigger the requirements of the RFA because agencies found that the rules did not meet the threshold of "significantly impacting a significant number of small entities."

Mulligan claims that the Biden administration did not comply with the RFA even though the Biden administration completed dozens of small business review panels, while the current Trump administration has yet to initiate even one. The report written by Mulligan is additional evidence of SBA Advocacy taking a clear partisan position against the Biden administration's regulatory record.

³⁹ Small Business Administration, Office of Advocacy, "International Trade," available at <https://advocacy.sba.gov/category/regulation/international-trade/>.

⁴⁰ Small Business Administration, Office of Advocacy, "First Year Report 2025/2026," February 13, 2026, available at https://advocacy.sba.gov/wp-content/uploads/2026/02/UPDATED_First-Year-Report_021326.pdf.

⁴¹ *Id.*

⁴² Small Business Administration, Office of Advocacy, "Biden Administration Rules Certified Under the Regulatory Flexibility Act," August 5, 2026, available at https://advocacy.sba.gov/wp-content/uploads/2025/08/Biden-Administration-Rules-Certified-Under-the-RFA_080525.pdf.

SBA Advocacy’s History of Being Cozy With Corporate Lobbyists

SBA Advocacy has also come under scrutiny for closely coordinating with corporate lobbyists from large trade associations when expressing concerns about regulations that protect the public, calling into question whether SBA Advocacy is truly representing the views of genuine small businesses or channeling the views of big business under the guise of helping small business.

For example, a 2014 report by the Government Accountability Office (GAO)⁴³ found that SBA Advocacy referenced small business input or concerns in 57% of the public comment letters reviewed by GAO. Yet, when asked for documentation of those concerns or input, SBA Advocacy was “unable to provide specific emails or notes of conversations.”⁴⁴ GAO concluded that “[SBA] Advocacy’s lack of documentation and transparency of the regulatory activities we reviewed makes it difficult to validate [SBA] Advocacy’s efforts to represent small business.”⁴⁵

Multiple reports have exposed SBA Advocacy’s close coordination with one of the most powerful trade associations, the American Chemistry Council (ACC), which lobbies on behalf of the largest chemical companies. In 2013, the Center for Progressive Reform (CPR) issued a report⁴⁶ documenting how SBA Advocacy relied heavily on ACC in its efforts to slow down and weaken the Occupational Safety and Health Administration’s (OSHA) regulatory proposal to limit worker exposure to the highly toxic and carcinogenic silica dust which is prevalent in workplaces across the country.

And in 2014, the Center for Effective Government (CEG) published a report⁴⁷ with proof of close coordination between SBA Advocacy and the ACC in preventing EPA and the U.S. Department of Health and Human Services (HHS) from issuing a scientific assessment that two chemicals, formaldehyde and styrene, were highly toxic and cancer-causing. A year later, CEG published another report analyzing the makeup of 20 small business review panels and finding that many included corporate trade association representatives who were not small business owners.

The ability for corporate lobbyists and trade associations to hijack a process meant just for genuine small businesses is one of the main flaws of the RFA. The RFA incentivizes large corporations to misrepresent their concerns as those of small businesses in order to receive more favorable consideration of such concerns.

⁴³ Government Accountability Office, “Small Business Administration: Office of Advocacy Needs to Improve Controls over Research, Regulatory, and Workforce Planning Activities,” July 2014, available at <https://www.gao.gov/assets/gao-14-525.pdf>.

⁴⁴ *Id.* at 17-18.

⁴⁵ *Id.* at 23.

⁴⁶ Center for Progressive Reform, “Distorting the Interests of Small Business: How the Small Business Administration Office of Advocacy’s Politicization of Small Business Concerns Undermines Public Health and Safety,” January 2013, available at https://cpr-assets.s3.amazonaws.com/documents/SBA_Office_of_Advocacy_1302.pdf.

⁴⁷ Center for Effective Government, “Gaming the Rules: How Big Business Hijacks the Small Business Review Process to Weaken Public Protections,” November 12, 2014, available at <https://search.issuelab-dev.org/resource/gaming-the-rules-how-big-business-hijacks-the-small-business-review-process-to-weaken-public-protections>.

The intent of the RFA, if it is to benefit particularly small businesses, has failed. Instead, a more targeted approach is needed.

The best way to achieve that would be to provide resources to help genuine small businesses comply with a regulatory action *after* it has been put in place, as has been proposed in Congress in the past.⁴⁸ This would provide direct assistance to small businesses while removing any possibility of corporate special interests using the RFA process with the assistance of SBA Advocacy to slow down or weaken regulations that protect the public.

SBA Advocacy Ignores Small Businesses That Benefit From Regulation

SBA Advocacy’s silence and lack of engagement on regulations that are intended to benefit small business provides another strong indication that SBA Advocacy is carrying out its mission in a partisan and ideologically driven manner. In numerous instances, federal agencies have sought to issue regulations which would clearly provide benefits to small businesses. Nonetheless, SBA Advocacy has either failed to provide any public comments in support of those regulations or have actively opposed them.

One egregious example is the “Small Business Lending Data Collection” rule. Congress directed the CFPB to issue this regulation as part of the Dodd-Frank law passed in the wake of the 2008 financial crisis.⁴⁹ Congress intended for the CFPB to use the regulation to protect women-and-minority-owned small businesses who were being discriminated against in the lending market due to financial institutions systematically charging higher interest rates for loans to women-and-minority-owned small businesses as compared to other small businesses.⁵⁰ Thus, the regulation would directly benefit women-and-minority-owned small businesses.

After years of delay, the CFPB finally issued a proposed regulation in September 2021.⁵¹ As part of its requirement under SBREFA, CFPB and SBA Advocacy convened a small business review panel prior to proposing the regulation.⁵²

⁴⁸ Press Release, “Senator Shaheen and Rep. Kim Introduce Bill to Help Small Businesses Cut Through Red Tape,” May 10, 2019, available at <https://www.shaheen.senate.gov/news/press/senator-shaheen-and-rep-kim-introduce-bill-to-help-small-businesses-cut-through-red-tape>.

⁴⁹ [Public Law 111-203](#), tit. X, section 1071, 124 Stat. 1376, 2056 (2010), codified at ECOA section 704B, [15 U.S.C. 1691c-2](#).

⁵⁰ Americans for Financial Reform, “Fact Sheet: AFR Fact Sheet to Defend CFPB 1071 Small Business & Farm Lending Transparency Rule, March 3, 2025, available at <https://ourfinancialsecurity.org/resources/fact-sheet-afr-fact-sheet-to-defend-cfpb-1071-small-business-farm-lending-transparency-rule/>.

⁵¹ Consumer Financial Protection Bureau, “Small Business Lending Data Collection Under The Equal Credit Opportunity Act (Regulation B),” 86 FR 56356, October 8, 2021, available at <https://www.federalregister.gov/documents/2021/10/08/2021-19274/small-business-lending-data-collection-under-the-equal-credit-opportunity-act-regulation-b>.

⁵² Consumer Financial Protection Bureau, “Final Report of the Small Business Review Panel on the CFPB’s Proposals Under Consideration for the Small Business Lending Data Collection Rulemaking,” December 14, 2020, available at https://files.consumerfinance.gov/f/documents/cfpb_1071-sbrefa-report.pdf.

Given that the main point of the regulation was to benefit women-and-minority-owned small businesses by gathering data on discriminatory lending practices by financial institutions, it would be expected that the small business review panel would include small businesses owned by minorities and women in order for the CFPB to understand how to maximize the benefits of the regulation. However, of the 20 small business participants that served on the small business review panel, there were *zero* representing minority or women-owned small businesses.⁵³ Instead, SBA Advocacy’s outreach resulted in all 20 of the participants being from financial institutions. The end result was a panel report that was skewed in favor of minimizing the compliance costs of the regulation on financial institutions rather than maximizing the benefits to women and minority owned small businesses.

In 2019, a Senate Small Business Committee hearing concerning the reauthorization of SBA Advocacy⁵⁴ featured testimony from multiple small business owners that highlighted how regulations have benefitted their business. For example, Rick Baumann, the owner of Murrells Inlet Seafood in South Carolina, testified that multiple regulations were crucial to the sustainability of the seafood industry in his state, including regulations to prevent offshore oil drilling that could result in oil spills, limit mercury toxins from power plants that pollute the water, and reduce water pollution under the Clean Water Act.⁵⁵ In each instance, Baumann criticized SBA Advocacy for not supporting these regulations on behalf of small businesses, stating “The Office of Advocacy is supposed to be making our voices heard on issues like these – but they are not.”

John Arensmeyer, head of the Small Business Majority (SBM) which represents over 58,000 small businesses across the country, also made clear to the U.S. Senate Small Business Committee how important many regulations are to the small businesses SBM represents.⁵⁶ He pointed specifically to regulations that prevent predatory lenders from preying on small businesses and clean energy regulations that benefit entrepreneurs in the clean energy economy. According to Arensmeyer, “The Office of Advocacy has a key role to play in ensuring any such regulations boost America’s small businesses, and should work to ensure our nation’s entrepreneurs’ views on such policies are heard rather than outright rejecting new regulations.”

⁵³ *Id.* at 15.

⁵⁴ U.S. Senate Committee On Small Business and Entrepreneurship, Hearing, “Reauthorization of the SBA Office of Advocacy,” May 22, 2019, available at <https://www.sbc.senate.gov/public/index.cfm/2019/5/reauthorization-of-the-sba-office-of-advocacy>.

⁵⁵ Testimony of Rick Baumann, U.S. Senate Committee on Small Business and Entrepreneurship, “Reauthorization of the Office of Advocacy,” May 22, 2019, available at https://www.sbc.senate.gov/public/_cache/files/a/2/a299499f-2e05-45e4-9754-b9df51209803/E1BB8020005E3C722DDA4515820CB7A717F0F05D164DAFD51AD50557A1146B4D.baumann-testimony.pdf.

⁵⁶ Testimony of John Arensmeyer, U.S. Senate Committee on Small Business and Entrepreneurship, “Reauthorization of the Office of Advocacy,” May 22, 2019, available at https://www.sbc.senate.gov/public/_cache/files/b/6/b61b160a-19a3-4b5b-b42e-5b3e3c38a638/90A999C8D0EA76AEF5B28CCD5D2EA63DB0D97235DBC03256C8143F66023E18A7.arensmeyer-testimony.pdf.

These examples raise serious concerns that SBA Advocacy has become so blinded by its own ideological beliefs that it is ignoring and rejecting the views of small businesses that support regulation.

SBA Advocacy Should Be Abolished or Undergo Major Reforms

SBA Advocacy is a partisan and ideologically driven agency that works consistently against the interest of supporters of regulatory safeguards. SBA Advocacy is neither “neutral” nor “independent” as the law demands. Rather, it favors rolling back regulations and opposes new regulatory protections – undermining administrations that seek to put strong regulations in place while supporting administrations that seek to rig the economy in favor of large corporations.

The best solution would be to abolish SBA Advocacy entirely and reallocate those resources to other SBA programs that will provide real regulatory compliance assistance to genuine small businesses.

Congress’ intent in passing the RFA was never to create an agency that is one-sided, partisan, ideological, and highly susceptible to capture by corporate lobbyists that represent Big Business. Rather than remaining faithful to congressional intent, SBA Advocacy has pursued its own partisan and ideological aims at the expense of being independent and neutral.

Until that happens, robust congressional oversight is needed to shine a light on SBA Advocacy and hold it accountable for not adhering to its mission. Congress should also investigate whether SBA advocacy is carrying out its statutory responsibilities in a balanced and non-partisan manner and whether SBA Advocacy is representing the views of genuine small businesses or has been captured by corporate trade associations dominated by large corporations. Congress should also consider zeroing out or significantly cutting appropriations to SBA Advocacy until it undertakes major reforms.

Legislative reforms to the RFA that would abolish SBA Advocacy or significantly scale back SBA Advocacy’s authority may be difficult due to the likelihood of opponents of strong regulatory protections blocking such efforts.

Thus, Congress should pass the EXPERTS Act,⁵⁷ which would put in place much-needed reforms to improve and strengthen the regulatory process. In particular, it would establish an Office of the Public Advocate to represent the views of consumers, workers, and the broader public that benefits from new regulatory safeguards, thereby balancing out the pro-corporate, anti-regulatory influence of SBA Advocacy.

Conclusion

For too long, SBA Advocacy has been an ideologically driven agency that is hardly “neutral” or “independent” as it claims but rather views its mission as criticizing and opposing new regulatory safeguards that protect the public. SBA Advocacy has sponsored fraudulent research

⁵⁷ H.R. 6145, S. 3210 (119th Cong.).

on the economic cost of regulation to small business, ignored when regulations directly benefit small business, and has obstructed and undermined the regulatory agendas of Democratic presidential administrations while doing the opposite during Republican presidential administrations. Under the Trump administration, SBA Advocacy has become an unabashed supporter and enabler for President Trump's economy-rigging agenda of changing regulations to support corporations.

Supporters of regulatory protections must recognize the threat that SBA Advocacy poses and take action. Only by abolishing SBA Advocacy, or reforming it from top to bottom, will SBA Advocacy's imposition of its ideological opposition to regulation to obstruct new protections for consumers, workers, our environment, and American's public health and safety be adequately addressed.