



121 North Henry Street
Alexandria, VA 22314-2903
T: 703 739 9543 F: 703 739 9488
arsa@arsa.org www.arsa.org

For Immediate Release
November 15, 2007

Media Contact:
Matt Hallett
T: 703 739 9543
matt@arsa.org

ARSA Urges Reg Flex Reform at House Small Business Hearing

Washington, D.C. - There are holes in the Regulatory Flexibility Act (RFA) that need to be plugged. This was the message that Aeronautical Repair Station Association (ARSA) Executive Vice President Christian A. Klein conveyed to the House Committee on Small Business earlier today. The full committee hearing, "Reducing the Regulatory Burden on Small Business: Improving the Regulatory Flexibility Act", addressed the economic difficulties that federal regulations impose on small businesses and the pivotal role of Congress in aiding and improving agency compliance with the RFA.

Klein's testimony drew from ARSA's successful legal challenge against the Federal Aviation Administration (FAA) before the U.S. Court of Appeals for the District of Columbia Circuit. In that case, the court ruled that the agency abrogated its duties under the RFA when it failed to consider the impact of its expanded drug and alcohol testing rule on small businesses. This decision is viewed by many as a key victory for the nation's small businesses.

"We think the case illustrated some important points about the holes in the RFA," Klein stated. His testimony included advocating specific improvements to the RFA. The need for courts to hold agencies responsible for RFA violations in the course of rulemaking is a pivotal step. Additionally, Klein focused on the cost of bringing a challenge against a federal agency in non-compliance, emphasizing that the expenses of legal action deter small businesses from challenging agency rulemaking. He also advocated increased investment in and reliance on the Small Business Administration, Office of Advocacy, which serves as an independent voice for small business.

Klein discussed the integral role of Congress in ensuring that agencies follow the RFA. "It seems that with increasing frequency, the House and Senate are passing bills that artificially limit the time that agencies have to conduct rulemakings. That, in turn, limits the time that agencies have to undertake meaningful RFA analyses and to consider real policy alternatives," he added.

ARSA has a distinguished, 20-plus year record of representing certificated aviation maintenance and alteration facilities. ARSA's 700 members, a vast number of which are small businesses, are an important part of the \$9 billion per year domestic air transportation support sector of the U.S. economy. According to the U.S. Census Bureau, this economic sector is responsible for more than 115,000 jobs and a total annual employer payroll of \$3 billion.

###