



February 10, 2025

The Honorable Joni Ernst
Chair
Committee on Small Business
& Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, DC 20510

Dear Chair Ernst,

JCN applauds U.S. Senate Small Business and Entrepreneurship Chair Joni Ernst for prioritizing America's job creators with her re-introduction of the "Prove It Act of 2025." JCN urges all members of the Senate to support and pass this important legislation that would ensure federal agencies conduct meaningful reviews of the burden proposed rules would have on small business and hold them accountable if they do not.

JCN is a nonpartisan organization founded by entrepreneurs who believe that many government policies are getting in the way of the economic freedom that helped make this country prosperous.

JCN provides business leaders and entrepreneurs with the tools to become the voice of free enterprise in the media, in Congress, in state capitals, in their communities, and their workplaces – allowing them to hold politicians accountable to job creators and their employees.

The "Prove It Act of 2025" would help shield small businesses from executive overreach and ensure that the perspectives and concerns of Main Street are front-and-center when federal agencies are considering new regulations.

According to the U.S. Small Business Administration's Office of Advocacy small businesses employ almost half – 46.4 percent – of America's employees.¹ Truly America's job creators, small businesses accounted for 62.7 percent of net new jobs from 1995 to 2021.²

Despite their significant contributions to our nation's economy, small business owners get the short end of the stick when it comes to regulation -- one size does *not* fit all.

¹ U.S. Small Business Administration, Office of Advocacy, "[What's New With Small Business?](#)" (March 2023).

² Id.



It is well-documented that small business owners are disproportionately negatively impacted by regulations as compared to big businesses.

When it comes to regulation, it is important to remember that seventy-nine percent of small businesses have fewer than ten employees.³ Firms with fewer than ten employees do not employ attorneys, accountants, or human resource professionals. If they are lucky, they have someone to manage sales. As a practical matter that means that it is the small business owner who is tasked with those duties, many of which involve regulatory compliance.

Moreover, small business owners spend more on regulation than larger businesses. Businesses with fewer than fifty employees pay \$14,700 per employee, as compared to \$13,800 per employee for medium-sized businesses, and \$12,200 per employee for large businesses.⁴

Despite these realities, increasingly we see federal regulators view their legal obligation to assess small business impact of new regulations as nothing more than a “check the box” exercise. According to an investigation conducted by the House Committee on Small Business, many government agencies in Washington are “failing to properly implement” statutes intended to shield small businesses from overburdensome regulations.⁵

For example, the Army Corps of Engineers has twice certified as *not* significantly impacting small businesses its proposal to redefine “waters of the United States” in a way that would require millions of landowners to get a federal permit before doing things as simple as moving mulch. Similarly, the Department of Labor had the audacity to certify its recent regulation that effectively converts most independent contractors into employees as a mandate with insignificant impact on small business. These are just two of many examples where federal bureaucrats are not following the letter and spirit of the Regulatory Flexibility Act when it comes to protecting small businesses from one-size-fits-all regulation.

The “Prove It Act of 2025” fulfills a key pillar of the Job Creators Network’s American Small Business Prosperity Plan—an eight-point policy blueprint -- by reducing the regulatory burden on small businesses.⁶

³ See John McLaughlin and Scott Rasmussen, “[Small Business IQ Monthly Poll](#)” Job Creators Network.

⁴ Nicole V. Crain and W. Mark Crain, “[The Cost of Federal Regulation to the U.S. Economy, Manufacturing, and Small Business](#),” Oct. 2023.

⁵ House Committee on Small Business, “[Williams, Luetkemeyer, and Van Duyne Lead Committee on Small Business Oversight of the Biden Administration’s Regulatory Agenda](#)” (Feb. 23, 2023).

⁶ Job Creators Network, “[The American Small Business Prosperity Plan](#)”



The “Prove It Act of 2025” would bolster existing law that federal agencies have been side-stepping at the expense of small businesses. It would hold agencies accountable by providing a meaningful opportunity for small businesses to challenge an agency certification that a proposed regulation would not impact a substantial number of small entities. And small businesses would be exempt from any rule in which an agency fails to follow the law.

Small business regulatory protections are in dire need of restoration. Passage of the “Prove It Act of 2025” would be a step in the right direction. We commend Chair Ernst for her leadership on behalf of Main Street and for reintroducing this important legislation. JCN urges its passage. It is time for our elected leaders in Washington to prioritize Main Street.

Alfredo Ortiz
CEO
Job Creators Network

A handwritten signature in black ink that reads 'Alfredo Ortiz'.