

**STATEMENT OF THE
FEDERAL TRADE COMMISSION
IMPLEMENTATION OF THE REGULATORY FLEXIBILITY ACT
BEFORE THE COMMITTEE ON SMALL BUSINESS
UNITED STATES HOUSE OF REPRESENTATIVES**

authority,⁽¹¹⁾ that contain specific consumer protection disclosures or other requirements to prevent certain identified deceptive or unfair acts or practices.⁽¹²⁾

The Commission has used its discretionary rulemaking authority sparingly to address

Agendas.

When initiating the regulatory review of each rule or guide, the Commission asks for

Amendments to the Commission's Used Motor Vehicle Rule⁽²¹⁾ have made it easier for used car dealers, many of which are small businesses, to comply with the Rule's disclosure requirements. Warranty information, formerly required to be placed on a side window, may now be posted in any conspicuous location on the vehicle.

Amendments to the Funeral Industry Practices Rule⁽²²⁾ eliminated an affirmative telephone disclosure requirement that many funeral providers considered awkward and burdensome.⁽²³⁾

IV. OTHER FTC OUTREACH TO SMALL BUSINESSES

In addition to working with small businesses in rulemaking proceedings and in reviews of existing rules and industry guides, the Commission engages in considerable additional industry outreach to small businesses and other industry interests. The Commission's industry outreach efforts have two goals. The first is to educate industry members on how they can comply with the various laws and regulations enforced by the Commission. To accomplish this goal, the Commission publishes simple, straightforward Business Guides to the rules and laws most likely to affect small businesses, which assist small businesses and other industry members in understanding their responsibilities under the law. These Business Guides are also available on the BusinessLine section of the Commission's website, at <http://www.ftc.gov>, and on the U.S. Business Advisor website available through the Small Business Administration. The Commission's website also displays other forms of business guidance, including policy statements, staff advice, and speeches on both competition and consumer protection issues. In addition, the Commission's staff both responds to informal business inquiries, and meets frequently with industry groups to answer their questions and promote voluntary compliance.⁽²⁴⁾

The second goal is to educate small businesses and other industry members about potential scams that could injure them. The FTC believes that the most effective way to prevent fraud, such as office supply scams, is to arm businesses and their employees with knowledge about how these schemes typically operate and of their rights under federal law. In one recent project, for example, the Commission asked numerous organizations and associations to help educate their members, many of whom are small businesses that are often susceptible to office supply scams. The Commission developed and sent educational pamphlets and copy-ready materials to approximately 1,800 associations, chambers of commerce, and national organizations, for re-publication and dissemination to their hundreds or thousands of members.

An important tool in the Commission's efforts to reach out to small businesses in recent years has been the use of numerous public workshops and conferences, often held around the country. They have been used in connection with rulemaking or rule amendment proceedings and in other contexts as well. From these workshops and conferences, the Commission obtains valuable input about the benefits and burdens of its enforcement and regulatory programs, as well as broader concerns, from small businesses, other industry interests, consumers, federal and state law enforcement agencies, and other interested parties. In turn, industry members become better educated about their legal

responsibilities and about their role in the regulatory and enforcement processes. [\(25\)](#)

V. CONCLUSION

In conclusion, the Commission wishes to emphasize that it treats its obligation to consider the needs and interests of small businesses very seriously, and it has worked vigorously during the past 17 years to comply with the requirements of the Regulatory Flexibility Act. The Commission has made regulatory review and reform a high priority since enactment of the RFA, and particularly in the 1990's, the Commission has adopted an aggressive, comprehensive regulatory review program that not only meets but exceeds the requirements of the RFA.

1. The prepared statement reflects the views of the Federal Trade Commission. My responses to any questions you may have are my own and do not necessarily reflect the views of the Commission or any

making funeral arrangements.

13. E.g., Presale Availability of Written Warranty Terms, 16 C.F.R. Part 702 (simplified methods of compliance); Retail Food Store Advertising and Marketing Practices, 16 C.F.R. Part 424 (permitted "rainchecks" and other options for compliance) .

14. *See supra* note 10.

15. Industry guides are administrative interpretations of the FTC Act, designed to provide the public with the Commission's views about which acts or practices are likely to violate Section 5 of that Act, 15 U.S.C. § 45(a). 16 C.F.R. §§ 1.5, 1.6. For example, in 1992, the Commission issued Guides for the Use of Environmental Marketing Claims (the "green guides"), 16 C.F.R. Part 260. These guides were adopted in response to a growing consumer interest in the environmental attributes of consumer products, as well as increased advertising of "green" claims. 57 Fed. Reg. 36363 (1992). There was considerable industry support for these guides when they were adopted. A r

