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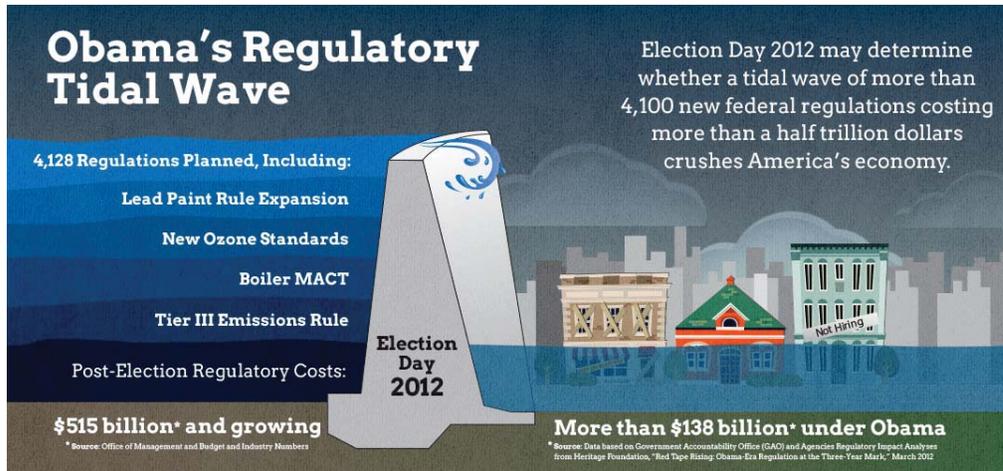
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## Small business owners warn of regulatory tidal wave



Small business owners are warning the American public about the more than 4,100 regulations poised to be unleashed on the economy over the next several years. Unless action is taken reduce the amount of regulation emerging from federal agencies, small businesses will continue to have their growth stifled by red tape. As an example of the potential impact, 13 of the most expensive of these regulations are expected to impose a cost of at least \$515 billion on the economy.

As part of our Small Businesses for Sensible Regulations campaign, NFIB launched an effort in July to give voice to small business owners facing significant uncertainty about the future. With thousands of regulations in the pipeline, poll after poll shows that small business owners have hesitated to expand their businesses and hire needed workers for fear of unplanned costs from new regulatory mandates. In the September edition of NFIB's Small Business Economic Trends report, more than one in five small business owners cited "government requirements and red tape" as the single biggest problem facing their company.

So far, more than 1,400 small businesses have hosted a media event, filmed a video, or gave a media interview explaining how regulations are affecting their business and future plans. Through these efforts, NFIB hopes to continue to elevate the growing regulatory burden as an issue during the 2012 campaign.

For more information on the Stop the Regulatory Tidal Wave campaign, including specific regulations that may have a significant impact on the economy, visit [www.stopthetidalwave.org](http://www.stopthetidalwave.org).

### Regulations by the Numbers

**4,128:** Federal regulations in the pipeline

**\$515 billion:** Estimated cost of regulations in the next four years

**74:** Percent of small business owners that believe there are too many federal regulations under development

### EPA reaches agreement to delay lead rule expansion by three years

The U.S. Environmental Protection Agency announced in September that it has agreed to delay expanding its Lead: Renovation, Repair, and Painting rule to cover work performed on the exterior of public and commercial buildings until 2017.

The EPA had been expected to propose a rule sometime last month and finalize it by February 2014. Now, the agency is expected to merge the rules with those covering the interior of public and commercial buildings – with a proposal in 2015 and a finalization date of January 2017.

The EPA's Lead: RRP program is a series of regulations aimed at prescribing EPA certification, training and work practice requirements for renovators and painters to prevent possible releases of lead from older buildings. In 2010, the first rule in the series – which covered residential renovations – went into effect.

Since that time, the program has been mired in controversy. The EPA had to originally delay enforcement because it had overestimated the ability of its program to certify and train contractors by their self-imposed deadline. Many small businesses were left scrambling to find classes in order to be trained in time, which led to a significant number of contractors having to drive hundreds of miles for a class or pay exorbitant registration fees.

In addition, the effectiveness of the program has also been called into question. The EPA's one-size-fits-all approach requires expensive measures to be performed in houses constructed before 1978. This cost gets passed along to consumers, which makes it more likely that the consumer – given the state of the economy – will try to do the work themselves or find an "underground" contractor to do the work illegally. This increases the risk of lead exposure rather than decreases it.

NFIB has been concerned about the EPA expanding the program to public and commercial buildings because it could further limit available work for renovators and construction companies. Furthermore, since many small business owners own their facilities, it is likely that costs to renovate or expand a facility would increase significantly. In short, expanding the rule would put more small businesses at a competitive disadvantage compared to larger businesses.

NFIB will continue to follow developments in the program to help ensure small businesses are not unfairly disadvantaged.

For more information on these and other upcoming NFIB regulations, contact Dan Bosch, NFIB's manager of regulatory policy, at [dan.bosch@nfib.org](mailto:dan.bosch@nfib.org).

## NFIB pushes back against EPA proposal to strengthen soot standards



The U.S. Environmental Protection Agency recently proposed to significantly strengthen standards for allowable levels of fine particulate matter, or soot, in the air. In comments submitted to the agency in August, NFIB strongly urged the EPA

to maintain current levels because strengthening them would have significant economic consequences and little health benefits to the public.

Under the Clean Air Act, the EPA must review its standards for the amount of soot allowed to be in the air. After the review, the agency can choose to take no action, or revise the standards up or down. Altering the standards is significant because if an area has monitors that read levels of soot above the standards, the EPA issues a finding of non-attainment.

When an area is designated as being in non-attainment, regulatory restrictions are immediately triggered, which discourage industrial and commercial activity. For example, the EPA is granted the authority to intervene in and revise any permitting decision by the state affecting a non-attainment area. The increased costs of both time and money associated with restrictive and expensive permit

requirements are likely to prevent any company interested in building a facility emitting soot from building that facility in a non-attainment area. The resulting lack of economic activity stifles job growth and can lead to increased unemployment, lowering the standard of living of nearly everyone in the area.

NFIB has several concerns about the EPA's proposal. First, the EPA has not adequately identified why the current annual standard is insufficient to protect the public health. Second, a more stringent standard will make it more likely that an area will be found in non-attainment, triggering requirements that hurt local communities – especially small businesses – in this current slow economy. Third, the EPA has proposed to move a number of monitoring stations alongside roads and corridors, and NFIB is concerned that this will likely lead to an increase in the amount of soot recorded at these monitors and would not be an accurate reading of the ambient air quality. Fourth, significant reductions in soot are likely to occur via several other EPA rules, which may make lowering the annual standard unnecessary.

The EPA is now reviewing public comments on the proposal and is expected to issue a final rule on the standard by the end of the year. Environmental regulations pose a considerable burden on small businesses. According to an U.S. Small Business Administration study, small firms spend 364 percent more per employee to comply with environmental regulations than larger firms.

## NFIB research finds regulations, government uncertainty among biggest problems for small business owners

NFIB's Research Foundation recently released its latest edition of Small Business Problems and Priorities, which added further evidence that excessive regulations and government uncertainty are weighing heavily on the minds of small business owners.

“Uncertainty over government actions” ranked as the No. 4 most-import problem facing small business owners. “Unreasonable government regulations” ranked fifth. Both problems were cited by more than one-third of respondents as “critical” issues.

The report, which is issued every four years, confirms what many recent surveys have found – regulations and the uncertainty of government agency actions are among the most important issues keeping small businesses from growing.

To see the complete results, visit [www.nfib.com/pnp12](http://www.nfib.com/pnp12).

### NFIB Small Business Problems and Priorities

#### Top 5 Problems

- 1: Cost of Health Insurance
- 2: Uncertainty over Economic Conditions
- 3: Cost of Fuel
- 4: Uncertainty over Government Actions
- 5: Unreasonable Government Regulations

### Update

## Fate of NLRB's poster rule still uncertain

Many NFIB members ask about the status of the National Labor Relations Board's poster rule. The rule requires all private sector employers to post a notice instructing workers how to form or join unions. It has been held up in court as many business groups, including NFIB, challenge the NLRB's legal authority to require the poster.

Last month, the U.S. Court of Appeals for the D.C. Circuit – the court below the U.S. Supreme Court – heard oral arguments from attorneys from the government and the business groups. While NFIB anticipates a decision in the fall, it is possible the case could ultimately make its way to the Supreme Court, which puts the exact time we will know the fate of the rule in question.

However, at this time, employers are not required to hang the poster. Please continue to follow NFIB.com for the latest information on the poster rule.

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