

Advocacy Comment Describes Small Business Concerns About EPA's Plan to Regulate Greenhouse Gases Under the Clean Air Act

On November 28, 2008, the Office of Advocacy (Advocacy) submitted a comment letter to the U.S. Environmental Protection Agency (EPA), discussing Advocacy's concerns with EPA's Advance Notice of Proposed Rulemaking (ANPR), "Regulating Greenhouse Gas Emissions under the Clean Air Act," 73 Fed. Reg. 44,354 (Oct. 30, 2008). The ANPR discusses ways that EPA could regulate U.S. sources of carbon dioxide (CO₂) and other greenhouse gases using existing Clean Air Act authorities. Advocacy's comment letter expresses concern that if EPA regulates greenhouse gases through the Clean Air Act, hundreds of thousands of small businesses and small communities would suffer serious adverse economic effects. For example,

- Expanding the scope of the Clean Air Act to regulate CO₂ and other greenhouse gases would make hundreds of thousands of small businesses that have not had to deal with federal air quality requirements subject to the Clean Air Act for the first time. Because fairly small facilities can generate large amounts of CO₂, small facilities would have to meet the same kind of permitting and control requirements that major sources now must meet.
- The compliance burdens associated with CO₂ regulations under the Clean Air Act could devastate small entities throughout the economy, including farms, shops, motels, restaurants, offices, schools, hospitals, and churches. While some of those burdens would come in the form of new federal permitting requirements and fees, other burdens would come from higher fuel costs, restrictions on fuel choices, limits on energy use, and, potentially, new regulatory limitations on business operations.

If EPA decides to regulate greenhouse gases under the Clean Air Act, Advocacy urges EPA to carefully consider how small entities will be affected. EPA should be prepared to convene a separate Small Business Advocacy Review Panel for each primary industry sector likely to be affected (e.g., transportation, agriculture, public institutions, manufacturing, etc.).

For further information regarding this issue, visit Advocacy's web site at: www.sba.gov/advo or contact Keith Holman at keith.holman@sba.gov or (202) 205-6533.