



**Opening Statement of
Chairman Mike Coffman
Committee on Small Business
Subcommittee on Investigations, Oversight & Regulations
“Green isn’t Always Gold: Are EPA Regulations Stifling Small Businesses”
U.S. House of Representatives Washington, D.C.**

May 12, 2011

Good morning. The hearing will come to order.

Thank all of you for joining us today for this hearing on EPA regulations, and whether they are harming the ability of small businesses to compete, particularly in today’s difficult economic climate. I would like to extend special thanks to our witnesses for making the trip to the Capitol and taking time out of their schedules to discuss this issue with us here today. Our subcommittee will hear directly from small business owners about how existing and proposed EPA regulations are affecting their industry and hindering their ability to remain profitable and grow their business.

According to a 2010 report by the Office of Chief Counsel for Advocacy at the Small Business Administration, small businesses bear a significantly greater burden as a result of federal regulations than larger businesses. This report indicates that federal regulatory costs to small businesses per employee are \$10,585, an amount that is 36 percent higher than the costs borne by larger employers.

Under the leadership of Administrator Lisa Jackson, the EPA is in the process of developing and finalizing some 30 regulations and instituting new policy rules. The EPA has adopted a rigorous environmental agenda that gives little consideration to the impact on

businesses in general and small businesses in particular. The actions of the EPA under Administrator Jackson are especially troubling due to their disregard for the Regulatory Flexibility Act, which seeks to reduce the undue burden of federal regulations on small businesses, by requiring analysis of compliance costs and consideration of less onerous alternatives.

Not only has EPA overlooked federal law, but it has indicated a willingness to sidestep the President's wishes as well. This has been made especially evident in testimony received from Assistant Administrator Mathy Stanislaus at a House Energy and Commerce Subcommittee hearing on April 14th, when he indicated that the EPA did not take into account job losses as a result of their rulemaking. This directly contradicts Executive Order 13563, which directs all federal entities to "impose the least burden on society" taking into account "the costs of cumulative regulations" as well as requiring that agencies should analyze any rules that are excessively burdensome. Speaking directly about small businesses, which have accounted for about 70 percent of all new jobs in the United States, the EPA has also disregarded a January 18th Presidential memorandum that solidifies the commitment of the Executive Branch to promote the importance of the Regulatory Flexibility Act to protect small businesses from onerous regulations.

We owe it to our constituents to critically analyze the need for these regulations, and the impact they will have on businesses in our districts, states, and country overall. It is paramount that regulations or rules that purport to protect the environment are balanced and do not turn a blind eye to the economic concerns of our nation's small businesses. These businesses are the engine that drives our economy, without which no true recovery will be possible.

I look forward to hearing from our witnesses on the real world effect of these EPA regulations and the implications for business growth and job creation. I now recognize the Ranking Member for his opening statement.