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To: Honorable Members of the Michigan Senate Oversight Committee
From: Charles Owens, State Director
Date: February 7, 2019
RE: Please Support House Concurrent Resolution 1

We are writing to ask your support for House Concurrent Resolution 1 that would disapprove Executive Order No. 2019-02. This Executive order would abolish the Environmental Rules Review Committee, the Environmental Permit Review Commission and the Environmental Science Advisory Board that were created last session with the support of small business. The purpose of these organizations was to continue efforts to examine the regulatory burdens placed on job providers to determine what works best to achieve the goals of public safety while being practical and effective for the regulated community to implement.

The Environmental Rules Review Committee included a representative of small business. Rules and regulations have a disproportionate impact on smaller companies. Research has shown that this difference can be as much as 36 percent between the costs incurred by small firms when compared with their larger counterparts. Federal regulations alone on small businesses (firms that employ fewer than 50 people) averaged \$11,724 per employee in 2012 – up from \$10,585 in 2010 (latest data available). This amount is even higher for manufacturing businesses.

Michigan has made great strides in reforming the regulatory burdens on job providers in our state and the review boards created in PA 267, 268, and 269 continue those efforts by allowing for a more user-friendly appeals process on permits where issues in dispute can be negotiated toward a solution. These boards and commissions also encourage a more science-based approach to regulation through the establishment of the Environmental Science Advisory Board to advise the Governor and the department.

Lowering the cost of regulation on small business at the state level, through rules oversight such as provided by these boards, will continue Michigan's progress forward as a great state to bring a business, grow a business, or start a business.

Again, we ask your support for House Concurrent Resolution 1, and we thank you for your support of small business!