

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, DC 20515-6515

June 29, 2023

The Honorable Michael S. Regan
Administrator
Environmental Protection Agency
1700 G Street NW
Washington, D.C. 20552

Dear Administrator Regan:

The House Committee on Small Business writes to inquire about the recent proposed rule change that would ban the manufacture and use of Perchloroethylene (PCE). This proposed rule prohibits the importation, manufacture, and use of PCE in most industrial and commercial enterprises, establishes prescriptive workplace controls for PCE in laboratory uses, and creates a 10-year PCE phaseout plan for dry cleaning and spot cleaning businesses.¹ This would force thousands of small businesses to buy new machines and products that do not use PCE—which the EPA estimates may cost each business up to \$10.4 million.² It appears that the EPA may not have properly considered small entities during this rulemaking process.

It is important for agencies to correctly evaluate small businesses interests—which make up 99.9 percent of all businesses in the United States—when passing any new rule. America’s small businesses deserve to have their voices heard and considered. We therefore request the following information as soon as possible but no later than July 13, 2023:

1. The proposed rule indicates that approximately 12,202 small businesses would be impacted by this rule, and that the estimated cost for each business could range from \$850 to \$10.4 million.³ Given this substantial variation, what is the projected average cost for an individual small business?
2. What is the total cost a small business could expect to pay to retool their facilities to no longer use PCE, including costs incurred by small businesses throughout the 10-year phase-out period?
3. How would this rule alter the cost for entrepreneurs seeking to start a business in one of these industries?

¹ Perchloroethylene (PCE); Regulation Under the Toxic Substances Control Act (TSCA), 88 Fed. Reg. 39652 (2023) (to be codified at 40 CFR 751).

² *Id.* at 39703.

³ *Id.*

4. The proposed rule anticipates that removing PCE from the production process would cost small businesses approximately 1 percent of their annual revenues, and that dry cleaners, who represent under half of the effected industries, have a profit margin of approximately 4.8 percent of annual sales.⁴ What is the current average profit margin for the remaining 6,000 small businesses impacted by this rule?
5. To what extent will large dry cleaners, many of whom have already switched to PCE-free dry cleaning, benefit from this regulation?

To schedule the delivery of your response or ask any related follow-up questions, please contact Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate “problems of all types of small business” under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



Roger Williams
Chairman
Committee on Small Business



Pete Stauber
Member
Committee on Small Business



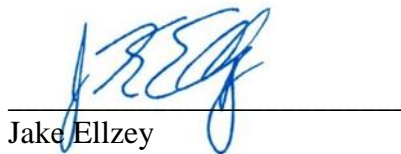
Dan Meuser
Member
Committee on Small Business



Beth Van Duyne
Member
Committee on Small Business



Maria Salazar
Member
Committee on Small Business



Jake Ellzey
Member
Committee on Small Business

cc: The Honorable Nydia M. Velasquez, Ranking Member
Committee on Small Business

⁴ *Id.*