



Opening Statement of Chairman Scott Tipton
Subcommittee on Agriculture, Energy and Trade
Hearing: *The President's Climate Action Plan: What Is the Impact on Small Businesses?*
July 18, 2013

The hearing is called to order.

I would like to thank the witnesses for appearing today to discuss the potential implications of the President's recently announced Climate Action Plan on small businesses.

I will note that this was supposed to be a two panel hearing. The Committee invited officials from the Environmental Protection Agency to testify but they declined.

This is unfortunate for several reasons. As many members know, the purpose of this committee is to give small businesses a voice in government. All too often, the Congress and federal agencies fail to consider the potentially negative consequences to small businesses of the laws we pass or the regulations that agencies seek to impose.

The Regulatory Flexibility Act (RFA), of which this Committee has jurisdiction, is intended to ensure that when federal agencies consider new regulations that they analyze and quantify their potential effects on small businesses.

In addition, the RFA requires certain government agencies, including EPA, to conduct small business review panels prior to a regulation's publication in the Federal Register. This process not only helps small businesses understand the potential scope and costs of government regulations, but allows them to actively inform and assist agencies in developing less burdensome alternatives.

Unfortunately, compliance with RFA has too often been the exception rather than the rule and few agencies have done a worse job in meeting their RFA obligations to small businesses than the EPA.

In too many instances, the EPA has improperly certified rules as not having significant impacts on small businesses; it has produced flawed economic analysis of its rules, and it has failed to provide small business review panels with sufficient information to assist them in informing agency rulemaking. Poorly crafted and burdensome regulations have been the result.

And let there be no mistake. The new emissions limits from electric power generating facilities outlined in the President's Climate Action Plan will have significant and far reaching implications for the economy and small businesses.

A previously proposed rule to limit greenhouse gas emissions from electric generating facilities that the EPA never finalized would have increased the cost of producing power from coal by between 30 percent and 80 percent, depending on the facility. This in turn would directly impact small coal mining operations and small business electricity producers.

The regulations would have also raised costs to energy consumers, particularly manufacturers.

Unfortunately, in its usual pattern, rather than taking these factors into consideration, EPA is moving forward with complete disregard to the small end users.

Perhaps the agency feels it is justified in pursuing rulemaking without seeking advanced small business input. If so, then they could have appeared before the Committee today and have said so on the record.

However, if the EPA and the Obama Administration won't listen to small businesses, this Committee will. I look forward to hearing the testimony of today's witnesses and will now yield to Ranking Member Murphy for his opening statement.