



## CONNECTICUT

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
BY  
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR  
SUPPORTING  
SB-1020, AN ACT CONCERNING WATER RESOURCES AND ECONOMIC DEVELOPMENT  
BEFORE THE  
COMMERCE COMMITTEE  
FEBRUARY 24, 2011**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I thank the Chairmen and the Committee for raising and hearing SB-1020 and offer the following comments:*

NFIB/Connecticut strongly supports SB-1020, which seeks to address the serious concerns of small business owners with the Department of Environmental Protection's proposed Stream Flow Standards and Regulations (RCSA §§ 26-141b-1 to 26-141b-9, inclusive). Although well-intentioned, NFIB/Connecticut feels that DEP's proposed stream flow regulations are far-reaching and will undermine Connecticut's already struggling economy and quality of life by severely limiting the amount of water available to meet the public health, safety, economic development and agricultural needs of Connecticut's small businesses. Small businesses such as farmers, car washes, restaurants, laundry mats, nurseries and plumbing contractors all rely on a safe, adequate supply of potable water to operate their businesses and meet the needs of their customers. Homebuilders, realtors, excavation contractors, heavy equipment operators, and others all rely on a robust economy where there is certainty about the ability for expansion and new construction and development to take place. The proposed regulations would significantly reduce the amount of water available to meet these needs and small businesses are concerned that the ultimate impact of the regulations as currently written may be potential moratoriums on construction and economic development. NFIB/Connecticut is hopeful that Section 1(a) of the bill will help address this concern by ensuring that the state Department of Economic and Community Development plays a necessary and pivotal role in the development of the regulations by requiring said Department's concurrence, as well as ensuring the regulations do not adversely impact the safe yield requirements of public water systems that would hamper economic development.

It is our understanding that less than one percent of the streams in Connecticut are documented as having flow impairment issues. As such, NFIB/Connecticut supports Section 1(b) of the bill which requires DEP to classify basins, identify streams with low flows, and develop a prioritization schedule of compliance, taking into account economic development considerations, all before imposing reservoir release requirements and groundwater limitations which could result in economic development moratoriums in many communities.

Additionally, small business owners routinely perform a cost-benefit analysis when making business decisions. Given the limited scope of the problem the proposed regulations are attempting to address, it seems that a further cost-benefit analysis needs to be performed and a more narrowly tailored approach to the problem be proposed. Small business owners are also already concerned about rising property taxes. NFIB/Connecticut understands that compliance with the draft regulations will impose significant costs on water utilities, both municipal and private. Although the brunt of these costs are likely to be reflected through increased water rates, some costs, e.g. fire protection, decreased revenues from lack of new development, will be passed on to municipalities and their taxpayers, which will hit the commercial tax base particularly hard. Additionally, modifying dams and distribution systems and developing new sources of water supplies will cost ratepayers, including commercial ratepayers, hundreds of millions of dollars. Small businesses in Connecticut are already faced with notoriously high rates for electricity and natural gas, and the last thing they need is for water to receive that dubious distinction as well.

Given the magnitude of the state's economic and budgetary problems, NFIB/Connecticut has asked the DEP to reject the proposed regulations as written and hold off on moving forward with regulations that may further derail our economy along with state and municipal budgets, and instead, develop a targeted, manageable approach to addressing those identified streams that have flow impairment issues. NFIB/Connecticut feels that SB-1020 is a positive step and the right approach to take to help address the concerns raised by small businesses.

Thank you again for the opportunity to comment, and NFIB/Connecticut urges passage of the bill.