

Government Administration and Elections Committee Public Hearing – March 7, 2011

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Proposed Bill No. 654: An Act Concerning Fiscal Notes for State Agency Regulations

Proposed Bill No. 655: An Act Concerning State Regulations that exceed Federal Standards

Position: CBIA supports these two bills as important measures to improve the quality and efficiency of the regulatory adoption process and ultimately improving Connecticut's regulatory environment. We do suggest a modification to Bill 655 as noted below.

Good morning. My name is Eric Brown and I serve as associate counsel with the Connecticut Business & Industry Association (CBIA). CBIA represents roughly ten thousand small and large businesses throughout Connecticut employing hundreds of thousands of Connecticut citizens who rely on a safe, affordable and reliable supply of water.

Connecticut's regulatory climate is often noted as one component that makes Connecticut an expensive and difficult place to do business. In our experience, the best regulations are those developed collaboratively with impacted stakeholders, in part, to determine accurately and completely the fiscal impact of various regulatory options on the state, municipalities and regulated entities.

We are fortunate in Connecticut to have a regulatory adoption process that includes review of agency recommendations by agencies that include the Office of Policy and Management, the

Attorney General's Office, the Department of Economic and Community Development and the legislature's Regulations Review Committee. However, neither the sponsoring agency, nor these other entities can unless the full, short-term and long-term fiscal impacts of a proposed regulation can be reasonably and realistically estimated. **Proposed Bill No. 654 will greatly improve this component of the regulation adoption process by insuring that fiscal impacts for the immediate, short-term and long-term are evaluated and reviewed prior to final adoption.**

Another important aspect of having a quality regulatory environment is to insure that federal requirements are thoroughly understood and considered before adding additional, state-specific requirements on our regulated businesses. To the extent the sponsoring agency determines such state-specific requirements are needed, they should have to document their rationale at the time of the public notice in order to provide the opportunity for the public to comment on this determination, and to afford other agencies involved in the regulation adoption process, as well as the Regulations Review Committee the opportunity to evaluate the sponsoring agencies rationale prior to final adoption.

Several years ago, a similar measure was passed pertaining solely to regulations adopted by the Department of Environmental Protection. That measure is codified in section 22a-6u of the Connecticut General Statutes. Accordingly, **CBIA strongly agrees with the concept of Proposed Bill No. 655, but recommends it track the existing language of section 22a-6u which states:**

"The commissioner may adopt regulations pertaining to activities for which the federal government has adopted standards or procedures. All provisions of such regulations which differ from federal standards or procedures shall be clearly distinguishable from such standards or procedures either on the face of the proposed regulation or through supplemental documentation accompanying the proposed regulation at the time of the notice concerning such regulation required under section 4-168. An explanation for all such provisions shall be included in the regulation-making record required under chapter 54 and shall be publicly available at the time of the notice concerning the regulation required under section 4-168. "

Thank you for the opportunity to provide comment in support of these two bills.