

TESTIMONY OF ERIC BROWN  
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION  
before the  
GOVERNMENT ADMINISTRATION & ELECTIONS COMMITTEE

March 10, 2014

Good afternoon. My name is Eric Brown and I serve as associate council and director of energy and environmental policy for the Connecticut Business & Industry Association (CBIA). CBIA represents roughly 10,000 companies throughout Connecticut – both small and large businesses, nearly all of which are subject to state regulations.

CBIA deeply appreciates this committee raising this bill and providing the opportunity for us to comment in strong support of:

**S.B. 349 (Raised): AN ACT CONCERNING REGULATIONS OF SIGNIFICANT IMPACT**

First, CBIA would like to express its deep appreciation to this committee and to Governor Malloy for focusing on addressing a key challenge to improving Connecticut's competitive standing relative to other states. Namely, making our regulatory climate less burdensome to businesses without sacrificing standards on matters ranging from protecting workers to protecting our environment.

Last October, the governor issued Executive Order No. 37 which has two parts. The first is intended to address regulations already on the books that are too onerous, outdated or ineffective. The second part, entitled "A more Transparent and Efficient Regulatory Process" seeks to insure that new or modified regulations going forward are truly necessary to achieve a clear purpose and are crafted in a manner that mitigates the burdens on those subject to the regulation.



Similarly, this committee is considering bills that will "look back" and create opportunities to improve regulations currently on the books (such as S.B. 272 and H.B. 5358), as well as bills like this one and H.B. 5049 designed to improve the regulatory development process in the future.

S.B. 349 simply seeks to codify, with additional flexibility, the regulatory transparency and efficiency provisions of the governor's Executive Order No. 37.

*(Please see our attachment showing these portions of the Executive Order and cross-referencing where each provision is located in S.B. 349)*

Last week, CBIA testified before this committee on H.B. 5049 which seeks to significantly streamline the regulatory adoption process by basically eliminating the procedural requirements of the Uniform Administrative Procedures Act for proposed regulations which the commissioner of the sponsoring agency reasonably believes will be noncontroversial. H.B. 5049 proposes a very aggressive change to the regulatory adoption process that frankly makes many businesses nervous. However, CBIA agrees with the intent of that bill and identified some specific areas for improvement in our testimony before you last week. We believe that a revised H.B. 5049, which incorporates the provisions S.B. 349 would constitute a significant and balanced package of regulatory reforms sure to improve Connecticut's regulatory climate for the future.

Thank you for this opportunity to comment in strong support of S.B. 349 and for your continuing work on improving Connecticut's regulatory adoption process.



## A MORE TRANSPARENT AND EFFICIENT REGULATORY PROCESS

Effective immediately, for any new regulation, and for any repeal or modification of an existing regulation not made pursuant to Section 5 of this Order, the following principles and procedures shall apply:

6. Before taking any regulatory action, each agency shall:

- Line 13 ← a. clearly identify their policy goals, carefully consider whether additional regulation is needed to achieve those goals, and strive to address those needs in a manner proportionate to their significance;
- Lines 154-157 ← b. each agency shall strive to ensure in all cases that the benefits of regulations justify their costs, whether qualitative or quantitative, and that regulations employ the least burdensome means available to achieve regulatory objectives;
- Lines 32-33 ← c. endeavor to encourage economic progress and the development of jobs in Connecticut, and only seek to regulate when there is a clear need for regulation;
- Lines 158-161 ← d. identify best practices for regulation, using the most innovative and least burdensome tools for achieving regulatory ends, including economic incentives, performance standards, and disclosure requirements;
- Lines 146-153 ← e. write regulations in language that is plain and easily understood.

7. Before taking any regulatory action relating a regulation of significant impact, each agency shall:

- Lines 169-173 ← a. { develop, consider, and make public a rigorous impact analysis, which shall include, but not necessarily be limited to: (a) a review of both qualitative and quantitative costs and benefits, based on the best available empirical and scientific information; and (b) an evaluation of feasible regulatory alternatives that would achieve the same regulatory objectives;
- Lines 170-171 ← b. where practicable, engage with external experts and academic institutions to inform such impact analysis.

8. Where appropriate, prior to issuing formal notice pursuant to section 4-168 of the General Statutes, an agency shall gather public input relevant to the subject matter of a potential regulation by publishing an advance notice of proposed rule-making on the eRegulations website and indicating how the public may comment.

Lines 137-138 ←

9. To the extent feasible and permitted by law, where an agency anticipates proposing a regulation of significant impact, such agency shall give notice of its intent to regulate pursuant to section 4-168 of the Connecticut General Statutes no fewer than sixty days prior to submitting such proposed regulation to the Attorney General for review, thereby providing the public with an extended opportunity to submit written comments on the proposed regulation. Prior to submission to the Attorney General, each agency shall revise such proposed regulation, where appropriate, to incorporate the substance of comments received.

Line 142 ←

13. As used in this Order, the term "regulation of significant impact" shall mean any regulation that may have an adverse impact on small businesses, will have a significant financial impact on medium or large businesses, is anticipated to have a cost to the state of \$1 million or more or to any municipality of \$100,000 or more, or, in the judgment of the Governor's Office, the Office of Policy & Management, or the agency, based on public comment received, the potential regulation presents a substantial shift in policy or is anticipated to place substantial burdens on citizens or on the private sector.

Lines 118-129 ←

Line 165-168  
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Lines 161-164

↑  
Line 174

