



Comprehensive Small Business Environmental Assistance Legislative Initiative An Initiative of the National Compliance Advisory Panel of Small Business Owners

Background:

Assistance with Air requirements was mandated by Congress via the 1990 Clean Air Act Amendments through the creation of the *Small Business Environmental Assistance Programs (SBEAP)* under section 507 of the Act.

Three Federally Mandated Program Components Include:

Small Business Stationary Source Technical Compliance Assistance Program, Compliance Advisory Panel and Ombudsman

State Small Business Environmental Assistance Programs: Small Programs with Big Impacts

- Small Business Environmental Assistance Programs (SBEAP's) have been providing air-only compliance assistance to small businesses for over 10 years.
- Using average budgets of \$300,000 and average staffs of 4 full-time employees, the SBEAP's helped over 5.7 million small businesses in 2004-2005.
- Workshops, educational materials, guidebooks, fact sheets, websites, helplines, newsletters, record keeping tools, one-on-one permitting assistance, and on-site visits are some of the tools utilized by these programs.
- Programs currently receive *zero* federal funding

The Need: Authorization and Funding of the State SBEAP's for Comprehensive Environmental Assistance

- Legislation authorizing the Small Business Environmental Assistance Programs to assist small businesses with their comprehensive environmental needs: air, land and water regulations. Millions of small businesses are reaching out to these programs for assistance with their air issues. Air is only one of three major environmental impacts on their business. By expanding these existing programs businesses will have more resources and time to concentrate on building their business and our economy.
- Funding to be dispersed by the USEPA Small Business Ombudsman's Office to the state Small Business Environmental Assistance Programs in the amount of \$55 million.
- Full funding of the USEPA Small Business Ombudsman's Office's budget at \$3 million dollars and 10 full time employees.

The Problem: Air Assistance is not "Environmental" Assistance:

- Small businesses do not compartmentalize their environmental regulatory requirements into the bureaucratic structure or division of air, land, and water. Small businesses must meet obligations under each of these programs and the need for assistance with each is equally important in reaching and maintaining compliance with these complex regulations.
- Current Title V funding mechanisms preclude the programs from providing assistance with land and water issues; major components of small business environmental compliance.
- No minimum funding levels are required and funding is not consistent from state to state. Programs are currently operating with shoestring budgets/staffing and often are the first program to be cut by regulatory agencies.
- State regulatory agencies choose to invest their limited resources in enforcement of rules after a violation has occurred rather than providing the necessary training and education to small businesses who want to comply. By this practice, regulatory agencies are investing in measuring their failures to protect the environment rather than actively protecting the environment and preventing noncompliance.

- Federal mandates to provide assistance & educate companies in meeting compliance requirements should be viewed equally as important as mandates to enforce regulations and insure compliance. Adequate funding for assistance mandates should not be optional.

Making the Case for Comprehensive Small Business "Environmental" Assistance:

- Small business owners, a vital economic engine, consistently rank regulatory issues among their highest concerns as they try to grow their business and remain competitive.
- Small Business represents 99.7 percent of all the nation's employer businesses. 2005 SBA data also show that small businesses employed 57.4 million Americans or 50.6 percent of the non- farm private sector workforce.
- Studies have shown that small businesses pay a disproportionate amount for regulatory compliance and expend an average of \$3296 per employee per year to meet just their federal environmental regulatory burdens.
- According to a 2005 SBA study, environmental and tax compliance regulations appear to be the main cost drivers in determining the severity of the disproportionate impact on small firms. *Compliance with environmental regulations costs 364 percent more in small firms than in large firms.*
- Small businesses cannot afford to invest limited resources to hire environmental staff or teams of environmental consultants and attorneys to assist them in understanding their environmental regulatory burdens.
- One study of a state Small Business Environmental Assistance Program showed that the benefits received by its clients on air regulations were on average three times the cost of administering the program. A 3 to 1 return on the investment.
- USEPA is under court order to promulgate 50 new area source rules potentially impacting small businesses by June 2009. Some states have already refused delegation of enforcement of these new rules due to lack of funding and staff to effectively administer the program. The need for assistance will be great.
- Brownfield sites are a constant challenge for communities of all sizes and typical Brownfield sites affecting most people are not the remnants of large corporations with sprawling grounds of contaminated properties. Many Brownfield sites are the small abandoned gasoline station dotting corners around the country, the empty store fronts that once contained the local dry cleaner or printing operation of the past as well small manufacturer. These types of businesses do not garner the attention of the larger manufacturing sites but they have great impact on communities and the landscape of our country.
- Similar assistance with OSHA regulations has been provided to small businesses by the popular On-Site Safety and Health Consultation Program for over 30 years. The Occupational Safety and Health Administration FY 2007 budget provides over \$53 million of its \$772 million agency budget to support small business assistance through the state consultation programs. Thirty years of success have shown that assistance and education work.
- *Zero* dollars of the requested \$7.3 billion USEPA FY2007 Budget is directed to the Small Business Environmental Assistance Programs.

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