

# Regulatory Reform

## OVERVIEW

The Obama administration has issued numerous regulations that impact the construction industry. In 2010 alone, the federal government issued a record 43 major regulations at a total cost of \$26.5 billion.

ABC members understand the value of standards and regulations when they are based on solid evidence, with appropriate consideration paid to implementation costs and input from the business community. However, some of our industry's regulations impose crippling costs with questionable benefits. In some cases, these regulations are based on conjecture and speculation, lacking foundation in sound scientific analysis. For the construction industry, unjustified and unnecessary regulations translate to higher costs, which eventually are passed along to the consumer. Ultimately, these costs impact a business's ability to hire and expand.

Further, the outcomes of numerous federal regulations proposed by the Obama administration are currently unclear. This has created an environment of uncertainty in our industry that makes it difficult for firms to adequately plan for the future.

Federal rulemakings often carry substantial financial and non-monetary compliance costs that impede a small business' ability to compete. In fact, research from a 2010 study by the U.S. Small Business Administration's Office of Advocacy found small businesses pay \$10,585 per employee annually to comply with federal regulations. Adding large and mid-size businesses to the equation still totals more than \$8,000 per employee, per year.

Federal agencies must be held accountable for full compliance with existing rulemaking statutes and requirements when promulgating regulations in order to ensure regulations are necessary, current and cost-effective for businesses to implement.

ABC remains committed to reforming duplicative and burdensome regulations imposed on the construction industry.

## ABC SUPPORTS

- Comprehensive regulatory reform, including across-the-board requirements for agencies to evaluate the risks, weigh the costs and access the benefits of regulations. This will better allocate limited resources and target efforts toward achieving our collective environmental, health and safety goals.
- Periodic review of regulations to ensure they are necessary, current and cost-effective. The construction industry should not be forced to operate according to burdensome or inappropriate rules that are not justified for current times.
- The Regulations from the Executive In Need of Scrutiny (REINS) Act (S. 299/H.R. 10), introduced by Sen. Rand Paul (R-Ky.) and Rep. Geoff Davis (R-Ky.). The REINS Act would require Congress to pass a joint resolution of approval before any new major rule (defined as having an impact of \$100 million or more) takes effect. REINS will add greater transparency and accountability to the federal rulemaking process, and ensure Congress is held accountable for the impact regulations have on the business community and the American people.

## ABC OPPOSES

- Unnecessary, burdensome and costly regulations resulting from the efforts of Washington bureaucrats who have little accountability for their actions.