



1521 HOUSE LABOR & COMMERCE

(3) **Mortality study:** In fire fighter mortality studies, the causes of death are counted up for the fire fighters (the **observed** number of deaths) then compared to the **expected** number of deaths in the fire fighters if they had the **same rate of death** as some comparison population (usually the general U.S. population). These studies are performed in **cohorts** of fire fighters, some defined population of fire fighters with the criteria for study specified in advance (such as a minimum number of years employed, a certain city, etc.).

(4) **PMR (proportionate mortality ratio):** This is one common measure of the effect of fire fighting (or other jobs or exposures) on the incidence of disease in a fire fighter mortality study. The PMR looks at all the deaths in the population of fire fighters and calculates the **percent (or proportion)** of deaths due to a specific cause (for example, 35% of deaths were due to heart disease). This percent is then divided by the percent of deaths due to a specific cause in a comparison population. **This ratio is the PMR.** It is usually then multiplied by 100 so that PMRs above 100 mean "increased risk" (for example, a PMR of 270 is interpreted to mean that fire fighters had 2.7 times the risk of a certain cause of death). In general, the PMR is not thought to be as good an estimate of the risk of death due to a job or exposure as the SMR. PMRs are subject to many potential problems which often make them less valid epidemiologic tools.

(5) **Polycyclic aromatic hydrocarbons (PAHs):** Polycyclic means "many rings" (the molecular structure is in a ring or circle shape); aromatic means "similar to **benzene** in molecular structure"; and hydrocarbons means that the molecule consists of the atoms hydrogen and carbon. These chemicals, also known as tars, are known human carcinogens.

(6) **Risk:** Risk is expressed as a number between 0 and 1 (and if multiplied by 100 gives "**percent**"). It is most relevant for fire fighters in the context of cancer when expressed as the lifetime risk of developing a certain kind of cancer (for example, over the lifetime of a typical fire fighter, there is a 14% risk or **chance** of cancer "X"). The risk of a certain cancer in fire fighters can be divided by the risk of the same cancer in a comparison population to give a ratio of risks. If this is above 1, then there is an increased risk of this cancer in fire fighters.

(7) **SMR (standardized mortality ratio):** When the **observed** number of deaths from a mortality study (see above) is divided by the **expected** number of deaths based on the death rates in a comparison population, this ratio is called an SMR. The term "**standardized**" usually means that the effects of age (because cancer is known to increase with age, if one population is older than the other it would have an increased number of cancer deaths for this reason) have been removed by adjusting or standardizing the ages of the two populations (the two populations are the fire fighters and the comparison population).

the general population. This addresses the issue of the "healthy worker effect."

6) Lewis SS, Bierman HR, Faith MR. Cancer mortality among Los Angeles City Fire Fighters. February 1983.

This is a reasonably easy to read and contains good discussions of problems interpreting these types of studies (pages 6-7) and mortality patterns (pages 8-9).

#### **IAFF Pamphlets**

1) Occupational Cancer and the Fire Fighter. Department of Occupational Health and Safety, IAFF, 1982.

This is a useful summary of the most important issues in easily understood terms. It is strongest from the perspective of exposures.

#### **Articles from the Lay Press**

1) "Deadly Smoke", by Chuck Cook and Marla Cone. The Register, Santa Anna, CA, December 1983.

This is an emotional account of illness in fire fighters.

2) "Careers in Ashes", by Paul Rubin. New Times, Phoenix, AZ, August 1988.

Another emotional account of cancer in fire fighters which includes discussions of many important topics in the area.



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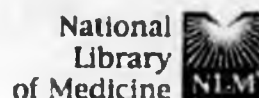
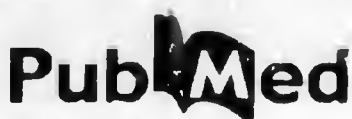
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## Mortality of urban firefighters in Alberta, 1927-1987.

Guidotti TL.

Occupational Health Program, University of Alberta Faculty of Medicine, Edmonton, Canada.

The mortality experience of firefighters has been an active topic of investigation. Collateral toxicological evidence suggests that certain causes of death are likely to be associated with firefighting: lung cancer, heart disease, and obstructive pulmonary disease. To date there has not been a clear and consistent demonstration of excess risk due to occupational exposure for these outcomes, but certain other cancers, including genitourinary, colon and rectum, and leukemias, lymphomas, and myeloma, appear to be consistently elevated. A major unproven hypothesis is that risk increased following the introduction, in the 1950s of combustible plastic furnishing and building materials known to generate toxic combustion products. Mortality by cause of death was examined for two cohorts totalling 3,328 firefighters active from 1927 to 1987 in Edmonton and Calgary, the two major urban centers in the province of Alberta, Canada, examining associations with cohort (before and after the 1950s) and years of service weighted by exposure opportunity. The study attained 96% follow-up of vital status and over 64,983 person-years of observation, yielding 370 deaths. Mortality from all causes was close to the expected standardized mortality ratio (96; 95% confidence limits (CL) 87, 107) as was that for heart disease (110; 95% CL 92, 131), and neither was statistically significant at the  $p < 0.05$  level (N.S.). Excesses were observed for all malignant neoplasms (127; 95% CL 102, 155,  $p < 0.05$ ) and for cancer of lung (142; 95% CL 91, 211, N.S.), bladder (315; 95% CL 86, 808, N.S.), kidney and ureter (414; 95% CL 166, 853,  $p < 0.05$ ), colon and rectum (161; 95% CL 88, 271, N.S.), pancreas (155; 95% CL 50, 362, N.S.) and leukemia, lymphoma, and myeloma (127; 95% CL 61, 233, N.S.); obstructive pulmonary diseases (157; 95% CL 79, 281, N.S.). Fire-related causes showed a marked excess (486; 95% CL 233, 895,  $p < 0.01$ ), but external causes overall showed a significant deficit (66; 95% CL 49, 87,  $p < 0.05$ ). The lung cancer excess was confined to Edmonton; there was no consistent association with duration of employment, exposure opportunity, or cohort of entry (before or after the 1950s) except that the highest risk was observed among Edmonton firefighters with over 35 weighted years. The excess of cancers of the urinary tract was observed mostly among firefighters entering service after 1950, appeared to increase with length of service and exposure opportunity, and was observed in both cities. An occupational association with heart disease and chronic pulmonary disease is not supported in this study on this population. (ABSTRACT TRUNCATED AT 400 WORDS)



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1: Cancer Causes Control. 1994 Mar;5(2):129-35.

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## Cancer incidence among firefighters in Seattle and Tacoma, Washington (United States).

Demers PA, Checkoway H, Vaughan TL, Weiss NS, Heyer NJ, Rosenstock L.

School of Public Health and Community Medicine, University of Washington, Seattle.

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In order to determine if exposure to carcinogens in fire smoke increases the risk of cancer, we examined the incidence of cancer in a cohort of 2,447 male firefighters in Seattle and Tacoma, (Washington, USA). The study population was followed for 16 years (1974-89) and the incidence of cancer, ascertained using a population-based tumor registry, was compared with local rates and with the incidence among 1,878 policemen from the same cities. The risk of cancer among firefighters was found to be similar to both the police and the general male population for most common sites. An elevated risk of prostate cancer was observed relative to the general population (standardized incidence ratio [SIR] = 1.4, 95 percent confidence interval [CI] = 1.1-1.7) but was less elevated compared with rates in policemen (incidence density ratio [IDR] = 1.1, CI = 0.7-1.8) and was not related to duration of exposure. The risk of colon cancer, although only slightly elevated relative to the general population (SIR = 1.1, CI = 0.7-1.6) and the police (IDR = 1.3, CI = 0.6-3.0), appeared to increase with duration of employment. Although the relationship between firefighting and colon cancer is consistent with some previous studies, it is based on small numbers and may be due to chance. While this study did not find strong evidence for an excess risk of cancer, the presence of carcinogens in the firefighting environment warrants periodic re-evaluation of cancer incidence in this population and the continued use of protective equipment.

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## Cohort mortality study of Philadelphia firefighters.

**Baris D, Garrity TJ, Telles JL, Heineman EF, Olshan A, Zahm SH.**

Division of Cancer Epidemiology and Genetics, National Cancer Institute, Rockville, Maryland 20892, USA. barisd@mail.nih.gov

**BACKGROUND:** Fire fighters are exposed to a wide variety of toxic chemicals. Previous studies have reported excess risk of some cancers but have been limited by small numbers or little information on employment characteristics. **METHODS:** We conducted a retrospective cohort mortality study among 7,789 Philadelphia firefighters employed between 1925 and 1986. For each cause of death, the standardized mortality ratios (SMRs) and 95% confidence intervals were estimated. We also compared mortality among groups of firefighters defined by the estimated number of career runs and potential for diesel exposure. **RESULTS:** In comparison with U.S. white men, the firefighters had similar mortality from all causes of death combined (SMR = 0.96) and all cancers (SMR = 1.10). There were statistically significant deficits of deaths from nervous system diseases (SMR = 0.47), cerebrovascular diseases (SMR = 0.83), respiratory diseases (SMR = 0.67), genitourinary diseases (SMR = 0.54), all accidents (SMR = 0.72), and suicide (SMR = 0.66). Statistically significant excess risks were observed for colon cancer (SMR = 1.51) and ischemic heart disease (SMR = 1.09). The risks of mortality from colon cancer (SMR = 1.68), kidney cancer (SMR = 2.20), non-Hodgkin's lymphoma (SMR = 1.72), multiple myeloma (SMR = 2.31), and benign neoplasms (SMR = 2.54) were increased among firefighters with at least 20 years of service. **CONCLUSIONS:** Our study found no significant increase in overall mortality among Philadelphia firefighters. However, we observed increased mortality for cancers of the colon and kidney, non-Hodgkin's lymphoma and multiple myeloma. There was insufficient follow-up since the introduction of diesel equipment to adequately assess risk.

PMID: 11333408 [PubMed - indexed for MEDLINE]

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## **FIREFIGHTERS WANT WCB TO RECOGNIZE WORK-RELATED CANCERS**

VANCOUVER – The British Columbia Workers' Compensation Board has been asked to examine a request that firefighters who develop certain cancers be presumed to have contracted them through work, said Labour Minister Graham Bruce.

In a meeting with the B.C. Professional Firefighters' Association Thursday, Bruce and Burnaby-Edmonds MLA Patty Sahota heard that firefighters are up to three times more likely to develop cancers of the brain, bladder and kidney, as well as leukemia and non-Hodgkin's lymphoma, from breathing in toxic fumes.

"Clearly the firefighters strongly believe their concerns about work-related cancers should be recognized by the WCB," said Bruce, "and I believe they should have an opportunity to meet with the WCB."

Bruce said he has asked the WCB to consider the firefighters' request. The WCB is already looking into this matter, the minister added, and has advised him it will consult with firefighters as part of its process.

The Workers Compensation Act lists a number of occupational diseases where there is a presumption that the disease was caused by work unless proved otherwise. Currently, firefighters who develop cancers must make their case on an individual basis in order to get workers' compensation.

Bruce noted the WCB had been revamped with a new board of directors and a new mandate, "and we have to give the process a chance to work. If the WCB determines that the science supports a causal relationship between firefighting and these cancers, then we will make the appropriate changes."

Sahota said Manitoba, Alberta, Nova Scotia and Saskatchewan have either enacted or are in the process of enacting legislation providing firefighters with the benefit of a presumption for specific types of cancers including brain, bladder, kidney, non-Hodgkin's lymphoma, leukemia and colon.

The effect of such legislation is that a firefighter who develops the particular cancer will be entitled to workers' compensation benefits without having to prove a link between exposures at work and the cancer.

-30-

Visit the province's Web site at <http://www.gov.bc.ca/> for online information and services.

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**Representative Tom Anderson**  
District 19 - Anchorage

## States That Have Enacted Presumptive Cancer Laws

<u>State</u>	<u>Statute</u>
Alabama	11-43-144
Arizona	38-642
California	Labor Code 3212.1
Illinois	5/6-151.1
Louisiana	33:2011
Maryland	Labor 9-503
Massachusetts	32-94B
Minnesota	176.011
Nevada	617.453
New Hampshire	281-A:17
New York	Labor 207-K
North Dakota	65-01-02
Oklahoma	49-110
Rhode Island	45-21.2-9
Tennessee	50-6-301
Texas	Labor 401.001
Virginia	65.2-402

**NATIONAL CONFERENCE OF STATE LEGISLATURES**  
**Workers Compensation Coverage for Hepatitis C, Cancer, Heart Disease**

Alabama § 11-43-144 (f), Compensation for illness due to hepatitis C infection for firefighters. Includes Hypertension, Heart Disease, Respiratory Disease, AIDS, Cancer, and Hepatitis.

Colorado § 8-41-208, Coverage for job related exposure to hepatitis C. The exposure to or contraction of hepatitis C by a firefighter, emergency services provider, or peace officer. Shall be presumed to be within the course and scope of employment if conditions are satisfied.

Arizona § 23-1043.03 Compensation for illness due to hepatitis C infection for firefighters, EMT's, police officers, paramedics, corrections officers, forensics lab techs/scientists, or any other person who regularly handles blood or bodily fluids.

California Labor Code § 3212.8 Compensation for illness due to hepatitis infection (presumably all forms) for firefighters and police officers, whether volunteer or employed.

Florida § 112.181 Compensation for illness due to hepatitis C infection for firefighters, paramedics, EMT's, police officers, and corrections officers employed full-time by the state or other political subdivisions of the state.

Idaho § 72-438 Compensation for illness due to all forms of hepatitis for all employees; for exceptions see 72-212. Including silicosis, cardiovascular or pulmonary or respiratory disease and AIDS.

Kansas § 44-510 (e) Compensation for illness due to hepatitis infection (presumably all forms) for police officers, ambulance attendants, and mobile intensive care technicians or firefighters, including volunteers.

**Maine**

39-A § 609; Compensation limits; Includes cancer.

Maryland General Health Code § 18-213.1 Compensation for illness as a result of any form of hepatitis infection for police officers, ambulance attendants, and mobile intensive care technicians or firefighter, including volunteers.

Michigan 418.405; Firemen, policeman, etc.; respiratory and heart diseases or illness as personal injuries

Missouri 287.067; Occupational disease defined--loss of hearing, radiation injury, communicable disease, others; Disease of the lungs or respiratory tract, hypotension, hypertension, or disease of the heart or cardiovascular system, including carcinoma, may be recognized as occupational diseases for the purposes of this chapter and are defined to

be disability due to exposure to smoke, gases, carcinogens, inadequate oxygen, or psychological stress of firefighters of a paid fire department if a direct causal relationship is established.

New York General Municipal Law § 24-207-N, O, P Compensation for illness as a result of hepatitis infection for corrections officers, EMTs or advanced EMTs, police officers, and firefighters.

Nevada

N.R.S. 617.453 Cancer as occupational disease of firemen

N.R.S. 617.455 Lung diseases as occupational diseases of firemen and police officers

N.R.S. 617.457 Heart diseases as occupational diseases of firemen and police officers

Pennsylvania

77 P.S. § 27.1 Includes some cancers and heart diseases

South Carolina § 42-11-30. Presumption that heart or respiratory diseases occurring in fire fighters arose out of and in course of employment.

Virginia § 65.2-402 Presumption as to death or disability from respiratory disease, hypertension or heart disease, cancer

Washington 51.32.185 Includes cancer and some respiratory and heart diseases

### **Chaptered Bills**

MD S.B. 633, Chaptered APRIL 22, 2003; Extends the presumption of a compensable occupational disease under the workers' compensation law to include Baltimore City deputy sheriffs who suffer from heart disease or hypertension resulting in partial or total disability or death; requires that workers' compensation benefits in addition to retirement benefits; requires Baltimore City deputy sheriffs to submit medical reports to the Baltimore City Sheriff

NV A.B. 451, Chaptered MAY 30, 2003. Relates to occupational diseases; clarifies provisions governing compensation for certain firemen who develop disabling cancer as an occupational disease.

NV S.B. 184, Chaptered JUNE 12, 2003. Relates to public employees; expands the definition of accident benefits for purposes of industrial insurance to include preventative treatment for hepatitis administered as a precaution to certain local police officers; creates a statutory presumption that hepatitis is an occupational disease for certain local police officers.

NM H.B. 840, APRIL 11, 2003; Pocket Veto by GOVERNOR. Relates to worker's compensation; removes silicosis and asbestosis exemptions in the New Mexico occupational disease disablement law.

NY S.B. 7367, Chaptered JANUARY 30, 2003, Provides a presumption of that a disease of the heart was incurred in the performance of duty for EMTs and advanced EMTs in certain cities.

VA H.B. 757, Chaptered APRIL 8, 2002, Relates a presumption that hepatitis, meningococcal meningitis, tuberculosis, herpes or HIV causing the death or disability of firefighters, paramedics, emergency medical technicians, members of the State Police Officers' Retirement System, members of county, city or town police departments, sheriffs and deputy sheriffs, city sergeants or deputy city sergeants of certain cities, and the Capitol Police shall be occupational diseases

VA H.B. 1237, Chaptered APRIL 6, 2002; Provides that medical evidence contesting the relationship between employment and disease shall not be considered substantial competent medical evidence sufficient to overcome the respiratory disease, heart disease, or cancer presumptions for the purpose of workers' compensation; defines firefighter as any firefighter, paramedic or emergency medical technician employed by any public or private employer.

VA H.B. 1877, Chaptered MARCH 22, 2003; Eliminates the provision in Workers' Compensation that delays the application of the presumption that certain diseases causing the death or disability of a firefighter or certain other employees who have a documented occupational exposure to blood or body fluids are presumed to be occupational diseases until 6 months after the employee has undergone a preemployment physical examination.

AZ S.B. 1197, Chaptered JANUARY 29, 2003, Concerns workers' compensation and peace officers assigned to hazardous duties

July 2003

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 31  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Workers Compensation Coverage RDU Insurance (116)  
 Component Insurance Operations  
 Sponsor Anderson  
 Requester House Labor & Commerce Component No. 354

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This is a benefits bill and has no fiscal impact on the operations of the division.

Prepared by: Linda S. Hall, Director Phone 907.269.7900  
 Division Insurance Date/Time 2/7/05 10:46 AM  
 Approved by: Edgar Blatchford, Commissioner Date 2/7/2005  
 Agency Commerce, Community & Economic Development

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 31  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: An act relating to presumption of RDU: Risk Management  
coverage of w/c in certain occupations Component: Risk Management  
 Sponsor: \_\_\_\_\_  
 Requester: \_\_\_\_\_ Component No.: 71

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	**	**	**	**	**	**

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	**	**	**	**	**	**

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 Risk Management (RM) will be adversely affected by the changes in this legislation. RM administers the self insurance program providing workers' compensation protection for all state employees, including illness claims filed by occupations affected by this legislation.  
  
 The self insured worker's compensation claims will realize increased litigation and benefit costs. As the number of reported exposures will vary by year, it is difficult to present accurate projections.  
  
 Future Risk Management's workers' compensation assessments to those agencies with employee occupations affected will reflect actual costs incurred as premiums charged each agency are developed from actual claims expenses incurred.

Prepared by: J. Brad Thompson, Director Phone: 465-5723  
 Division: Risk Management Date/Time: 2/9/05 10:00 AM  
 Approved by: Michael Tibbles, Deputy Commissioner Date: 2/9/2005  
 Agency: Administration

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## MEMORANDUM

December 15, 2004

**SUBJECT:** Establishing a presumption of coverage in Workers Compensation for occupational diseases. (Work Order No. 24-LS0225\A)

**TO:** Representative Tom Anderson  
Attn: Josh Applebee

**FROM:** Barbara R. Craver *BRC*  
Legislative Counsel

You asked for a bill to provide a broad presumption of coverage in workers compensation for public safety employees and other first responders. You attached several state laws and some articles. Enclosed is a draft bill. Your attachments indicated that the primary concern was the unique risks for disease suffered by fire fighters and by persons engaged in occupations involving exposure to human blood or bodily fluids.

In regard to fire fighters, I defined the term "fire fighters" as those who are covered by workers compensation under AS 23.30.243.<sup>1</sup> This would cover volunteer fire fighters serving regularly organized volunteer fire departments. The Washington law (RCW 51.32.185) defines fire fighters by reference to the definitions in its public employment retirement system. The Texas bill (not enacted) applies the presumption to fire protection personnel who are various kinds of permanent fulltime employees. You could limit the application of this bill to fire fighters covered by the Public Employees Retirement System (PERS), but that would not include the numerous volunteer fire fighters who are not employees of PERS members. Because AS 23.30.243 extends workers compensation coverage to volunteers as well as employees, I incorporated that

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<sup>1</sup> Sec. 23.30.243. Extending coverage to certain fire fighters.

(a) For the purposes of workers' compensation any injury, disability or death incurred by a fire fighter by reason of the fire fighter's participation in authorized training, proceeding to or engaging in a fire suppression or rescue operation, or the protection or preservation of life or property, anywhere in the state is considered to have arisen out of and been sustained in the course of employment, and the fire department or regularly organized volunteer fire department of the fire fighter's primary employment or registration is considered to be the employer, except when the injured, at the time of injury or death, is acting for compensation from another.

(b) Nothing in this section requires the extension of benefits to a fire fighter employed by a municipality which by law or regulation expressly prohibits the activity giving rise to the injury, disability, or death.

section to define the scope of fire fighters covered. Please let me know if you would like a different definition.

This bill only allows the presumption of work-related cancer for fire fighters who had a "qualifying medical exam" upon becoming a fire fighter or during employment as a fire fighter if the exam showed no sign of cancer. This is derived from the Washington code, RCW 51.32.185(3) and the Texas bill. The Texas bill you provided extends the presumption to a person who has an exam during employment as a fire fighter to rule out pre-existing cancer. I cannot find a definition in those laws and bills for "qualifying exam." In the bill draft, I have directed the department to define by regulation what a "qualifying exam" would be, because a medical exam might not be thorough enough to detect cancer. Because this bill includes volunteers with regularly organized fire departments, it is possible that those departments do not require medical exams, so you may wish to consider whether this limitation unfairly exempts those fire fighters from the presumption. Because of this medical exam requirement, it is possible that many current fire fighters will not qualify for the presumption either because their employer won't pay for a qualifying exam or because the fire fighter has already developed cancer.

In regard to the presumption established for workers exposed to human blood or bodily fluids, I did not limit that to "first responders." We do not have any current definition in the statutes for "first responders", or any other term that covers all the occupations you had listed: fire fighters, airport police, corrections officers, trooper and other first responders. Because contagious diseases transmitted through exposure to human blood and bodily fluid were covered specifically for fire fighters in the Washington code section (RCW 51.32.185(4)), and generally for any occupation in the Idaho law (I.C. 72-436), I took the more general approach and provided a presumption for any occupation involving exposure to human blood or bodily fluids. If you would like that presumption applied more narrowly, please let me know.

Section Two provides that claims may be made based on exposure which occurred prior to the effective date of the law.

If I may be of further assistance, please advise.

BRC:lmb  
04-195.lmb

Enclosure

**HB**

**33**

**Mike Pawlowski**

---

**From:** Marshall, Connie B. [connie\_marshall@sba.gov]  
**Sent:** Thursday, March 03, 2005 1:59 PM  
**To:** Mike Pawlowski  
**Subject:** Here's some help from Connie

Hi Mike - here you go! I should have sent you HIS speech as my testimony!!  
Connie

1996, there was unanimous consent in the Senate (so Murkowski was for it, see his statement below)  
S. 942 (Small Business Regulatory Fairness Act of 1995 )  
[http://www.senate.gov/legislative/LIS/roll\\_call\\_lists/roll\\_call\\_vote\\_cfm?  
congress=104&session=2&vote=6043](http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm?congress=104&session=2&vote=6043)

**(Senate - March 19, 1996)**

**[Page: S2309]**

Mr. MURKOWSKI. Mr. President, no one more strongly supports the goals sought by the statutes and regulations of this country than I do.

I come from a beautiful State blessed with resources that I have worked to see used productively and conserved wisely, I myself enjoy the great outdoors in Alaska, along with my family, and intend to have these same kinds of experiences enjoyed by my children and grandchildren; I have been a banker, where it has been my privilege to see individuals succeed in small business; I have seen first hand how issues like safety and worker protection go hand in hand with ensuring that success, but there is no doubt that achieving better protection of human health and the environment can only happen if we regulate smarter.

Individuals and businesses, big and small, spend too much time trying to comply with too much paperwork, and too much regulation from too many Washington bureaucrats. For example: above-ground storage tanks must comply with five different regulations that each require a separate spill prevention plan; this means that a business with tanks files five different sets of plans--one to the State, and two each to the EPA and the Coast Guard.

If you buy a business that was once registered to produce pesticides, even if you don't produce pesticides, or never have, the EPA will still want you to send in annual production reports with zeros filled in. If you don't, you can be sued and potentially fined. For just one statute, the Resource Conservation and Recovery Act, EPA has issued 17,000 pages of regulations and proposed regulations. The volume I'm holding has over 1,000 pages, and on any one of them is a place where a small business can get tripped up. By the way, this is one volume of title 40 of the Code of Federal Regulations. Title 40 deals with environmental protection. Title 40 has 20 more volumes like this one. And its only title 40.

The Code of Federal Regulations occupies an entire 4 foot by 8 foot bookcase in the Senate library. A copy of the code costs almost \$1,000, and is updated four times a year. Even if a small business could afford to buy it, it would be impossible to read it all. Why do we want to force every business in America to have to keep a battery of lawyers around just to advise about the overwhelming details in the Code of Federal Regulations?

Now, usually when I describe these examples, I talk about Anchorage, AK. There, fish guts were added

to the waste water to comply with regulations that require a certain amount of organic waste removed during sewage treatment. The water was too clean, so material had to be added just to comply with the requirement to get a minimum amount out. But I am happy to say that today I am no longer using that example. It seems that in response to a lawsuit, EPA announced its intention to lift some of the restrictions on sewage treatment plants such as the one in Anchorage.

EPA states, 'This change would provide the affected municipalities with additional flexibility and, in some cases, cost savings without compromising environmental quality.'

If we are to move forward to a safer, cleaner, healthier future, we have to change the way Washington regulates. This bill is a positive and helpful step in that direction. S. 942 will ensure small business participates in rulemaking. This in turn will mean that rules will take small business needs into consideration before a rule is enacted. The bill also allows judicial review of regulations for compliance with the 16-year-old Regulatory Flexibility Act. A court can now examine whether agencies considered adverse impacts to Small Business when it writes regulations, and determine if an agency acted in an arbitrary manner. Penalty waivers and reductions when appropriate for small business violations. Recovery of attorney's fees when small business is forced into defensive litigation due to enforcement excesses. Comprehensive regulatory reform will continue to be a high priority for this Senator.

As science and technology continue to change, we must have a Federal Government that can be responsive to such changes. We need to plan for the future, not just for today, and that means a regulatory system that can keep up with improvements.

Four fundamental changes to the regulatory system will have to occur to ensure those improvements in the future. First, we must do a thorough review of existing regulations in place, decide what we need and what we don't, and avoid adding any more we don't need; second, Washington should be required to disclose the expected cost of current and new regulations. The public has a right to know what laws and regulations cost; third, when making regulatory decisions, the Government should use best estimates and realistic assumptions rather than worst case scenarios advanced by extremists; and fourth, new regulations should be based on the most advanced and credible scientific knowledge available.

Common sense must be returned to regulating. I applaud Senators Bond and Bumpers, and all those who worked to bring this bill to the floor. It is an important first step toward a safer, cleaner, healthier future.

24-LS0239V  
Bannister  
3/2/05

CS FOR HOUSE BILL NO. 33( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES MEYER, Wilson, Kelly, Neuman

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to regulations that may govern the conduct of small businesses; and  
2 providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 44.62 is amended by adding a new section to read:

5       Sec. 44.62.218. Regulations affecting small businesses. (a) Before an  
6 agency adopts a proposed regulation that may govern the conduct of small businesses,  
7 or when a person petitions an agency under AS 44.62.220 to adopt a proposed  
8 regulation that may govern the conduct of small businesses, the agency shall prepare  
9 an economic effect statement under (b) of this section, prepare a regulatory flexibility  
10 analysis under (c) of this section, and notify the department that the agency intends to  
11 adopt the proposed regulation or has received a petition under AS 44.62.220 to adopt  
12 the proposed regulation.

13       (b) An agency shall use the information received under AS 44.62.210 and  
14 44.62.215, information provided by the department under (e) of this section, and other

1 information in the files of the agency to prepare the economic effect statement  
2 required by (a) of this section. The economic effect statement must provide

3 (1) an identification and estimate of the number of small businesses  
4 that would be subject to the proposed regulation;

5 (2) the projected reporting, recordkeeping, and other administrative  
6 costs that small businesses would be required to incur in order to comply with the  
7 proposed regulation, including an identification of the type of professional skills  
8 necessary to prepare the report or record or to take the administrative action;

9 (3) a statement of the probable effect that the proposed regulation  
10 would have on the small businesses whose conduct would be governed by the  
11 proposed regulation; and

12 (4) a description of any alternative methods of achieving the purpose  
13 of the proposed regulation that would be less intrusive or less costly for the small  
14 businesses whose conduct would be governed by the proposed regulation.

15 (c) In the regulatory flexibility analysis required by (a) of this section, an  
16 agency shall consider using regulatory methods that

17 (1) minimize the effects of the proposed regulation on small businesses  
18 while accomplishing the objectives of statutes authorizing the proposed regulation;  
19 and

20 (2) are consistent with health, safety, environmental welfare, and  
21 economic welfare.

22 (d) When preparing the regulatory flexibility analysis under (c) of this section,  
23 the agency shall consider

24 (1) the establishment of less stringent compliance or reporting  
25 requirements for small businesses;

26 (2) the establishment of less stringent schedules or deadlines for  
27 compliance or reporting requirements for small businesses;

28 (3) the consolidation or simplification of compliance or reporting  
29 requirements for small businesses;

30 (4) the establishment of performance standards to replace design or  
31 operational standards for small businesses; and

1 (5) the exemption of small businesses from all or any part of the  
2 requirements contained in the proposed regulation.

3 (e) The department shall advise and assist agencies to comply with this  
4 section.

5 (f) This section does not apply to regulations of

6 (1) a board or commission whose members are subject to confirmation  
7 by the legislature;

8 (2) the ombudsman;

9 (3) the office of victims' rights;

10 (4) the Alaska State Council on the Arts;

11 (5) the Local Boundary Commission;

12 (6) the division of elections;

13 (7) the administrative component of the Department of Administration  
14 that administers motor vehicle and driver's license laws;

15 (8) the Department of Corrections; or

16 (9) the Department of Military and Veterans' Affairs.

17 (g) This section does not create a private cause of action. If an agency fails to  
18 comply with this section, the failure does not establish a ground on which to invalidate  
19 a regulation that has been filed by the lieutenant governor under AS 44.62.080.

20 (h) In this section,

21 (1) "department" means the Department of Commerce, Community,  
22 and Economic Development;

23 (2) "governs the conduct" means regulates the manner in which a small  
24 business conducts its business activities but does not include the imposition of a fee to  
25 cover the cost of a state service if the fee is charged uniformly to all users of the  
26 service;

27 (3) "proposed regulation" means a proposal for a new regulation or for  
28 a change in or an addition to an existing regulation but does not include the repeal of  
29 an existing regulation; or

30 (4) "regulation" has the meaning given in AS 44.62.640;

31 (5) "small business" means

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(A) a business entity, including its affiliates, that

(i) is independently owned and operated; and

(ii) employs fewer than 50 employees;

(B) a village corporation; in this subparagraph, "village corporation" has the meaning given in 43 U.S.C. 1602(j); or

(C) a nonprofit utility that employs fewer than 100 employees; in this subparagraph, "utility" has the meaning given in AS 42.05.990.

\* Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. AS 44.62.218, enacted by sec. 1 of this Act, applies to a proposed regulation proposed by an agency on or after January 1, 2006 or by an interested person under AS 44.62.220 on or after January 1, 2006. In this section, "proposed regulation" has the meaning given in AS 44.62.218, enacted by sec. 1 of this Act.

\* Sec. 3. This Act takes effect January 1, 2006.



**WEST COAST  
CAPE FOX LODGE**

March 14, 2005

Alaska Department of Environmental Conservation and Alaska State Legislatures,

I am writing in regard to the proposed changes to the Alaskan food code. I have had the privilege of working in the position of Executive Chef at Westcoast Cape Fox Lodge in Ketchikan for almost eight years. Previously I worked as chef at Sophie Station Hotel in Fairbanks for five years and spent a summer cooking in Esther Gold Camp. All the establishments that I have worked at have maintained a safe working environment and complied with food codes with good records.

The inspectors that I have worked with have all been very helpful. Never in all the years I have worked in Alaska have I thought the food code unreasonable, the scoring system and the inspectors have been helpful and trust worthy.

After listening to the presentation and going over the proposed changes I am alarmed. The changes are draconian and overwhelming. Here are some of the things that I find objectionable:

You demand that we greet and welcome our guests with a sign introducing the subject of food poisoning? It is hard enough to attract patrons without starting out their dining experience with thoughts of food poisoning. We work very hard to keep our guests safe and the food wholesome and do not deserve such ugly shabby treatment at the states hands.

Fines? You expect us to rely on you for your help when you are threatening us with fines except when you extort \$200.00 from us ahead of time and then you waive the fines? Are you serious?

Standard Operating Procedures sounds like a tool for you to harass and threaten us. How could such an onerous system be helpful? Keeping a record of employee bowel movements? You will keep diligent chefs and kitchen managers in the office doing paperwork with threats of fines. Why do you want to take the relationship of eating establishments with the health department from one of helpfulness and partnership to one of aggressor and victim? When did we become the enemy?

The requirement of food handler's cards could be helpful and will give CHARR a nice new source of income but they are not articulated enough so that I would know how they are actually supposed to work.

I have strenuous objections to the requirement of gloves. They only look to fool the public and give them a sense of false security. You and I know that gloves can be contaminated and pass on problems just as easily as hands. Who are you trying to help? The manufacturers of gloves?

One of the things that are so inviting to a guest is to walk in to a well appointed dinning room and enjoying the gleam of silver and cloth napkins set on the tables. Your new laws would deprive Alaska's guests of a standard of fine dining all over the world.



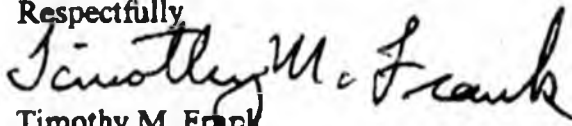
WEST COAST  
CAPE FOX LODGE

You want to use the power of the state to force all restaurants to bundle all silverware in napkins like some low cafeteria. We need the freedom of the market to compete and flourish, you seem determined to enforce some bureaucratic sameness like a totalitarian country.

These are drastic changes that you are demanding that are of dubious help in keeping food safe. The system we have in place is more than adequate for food safety we just need more regular inspection and advice to prevent disastrous events of food poisoning at poorer facilities.

I strongly urge you to begin this process again and instead of sneaking into Alaskan towns with no written notice. You need to truly send written notice at least a month in advance clearly stating the overwhelming, draconian nature of your proposals, and have community meetings. You would get the feedback necessary to be truly helpful to the Alaskan hospitality industry not a bureaucratic nightmare costing much more money to hard pressed businesses and ruining the dining experience for an entire state at the whim of an "Acting Director" and not making food safer. You need to start all over.

Respectfully



Timothy M. Frank  
Executive Chef

Westcoast Cape Fox Lodge  
800 Venetia Way  
Ketchikan, Alaska  
99901

# HOUSE COMMITTEE REPC T

(7)

Date Referred to Committee: January 10, 2005

FURTHER REFERRALS: Judiciary

Date of Committee Action: March 16, 2005

The LABOR AND COMMERCE Committee considered:

HB 33

HOUSE BILL NO. 33

EFFECT OF REGULATIONS ON SMALL BUSINESSES

"An Act relating to the effect of regulations on small businesses; and providing for an effective date."

Recommends it be replaced with [ ] HCS or [X] CS for HB 33 (LTC)  
 For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR \_\_\_\_\_ [ ] Same Title [X] New Title

- [ ] attach amendments
- [ ] add new referral to \_\_\_\_\_ Committee
- [ ] Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:

- ADM
- CEC
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

1 QFN  
5 FN  
60V / all depts 10

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
Adm	1			✓
HSS	2	✓		
LWF	3	✓		
DNR	4	✓		
DPS	5		✓	
GOV / all depts	10	✓		

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
<i>Walter Crawford Jr</i>	CRAWFORD	(2)		(5)	
<i>[Signature]</i>	LYNN			X	
<i>[Signature]</i>	KOTT			X	
<i>[Signature]</i>	LABOUT			X	
<i>[Signature]</i>	ANTENBERG			X	
<i>[Signature]</i>	Rok's brer	X			
Chair: <i>Tom Anderson</i>	ANDERSON	X			
Chair:					

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB 33  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept Affected All  
Title Relating to regulations that may gover RDU \_\_\_\_\_  
Sponsor Meyer Component \_\_\_\_\_  
Requester \_\_\_\_\_ Component No \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>417.7</b>	<b>401.2</b>	<b>401.2</b>	<b>401.2</b>	<b>401.2</b>	<b>401.2</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>417.7</b>	<b>401.2</b>	<b>401.2</b>	<b>401.2</b>	<b>401.2</b>	<b>401.2</b>

Estimate of any current year (FY2005) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Consolidated fiscal note for all departments. See individual department fiscal notes for fund sources and detailed explanations.

Prepared by: Brad Pierce Phone \_\_\_\_\_  
Division: OMB Date/Time 3/4/05 11:04 AM  
Approved by: \_\_\_\_\_ Date 3/4/2005  
Agency: \_\_\_\_\_

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 33  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title "An act relating to the effect of RDU All  
regulations on small businesses" Component All  
 Sponsor Rep(s) Meyer, Wilson, Kelly & Neuman  
 Requester Labor & Commerce Component No. 45

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 C/P/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill would require the department to prepare an economic effect statement and a regulatory flexibility analysis prior to adopting any regulation that is considered to have an adverse effect on small businesses. The new requirements contained in this bill will increase the work of the department and may slow the regulation adoption process. It is anticipated that the additional work will be absorbed into each division's budgets.

Prepared by: Eric Swanson, Director Phone (907)465-5655  
 Division Administrative Services Date/Time 3/3/05 11:49 AM  
 Approved by: Mike Tibbles, Deputy Commissioner Date 3/3/2005  
 Agency Department of Administration

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB033CS-DOLWD-CO-03-03-05  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Department: Labor and Workforce Development  
Title: Effect of Regulations on Small Businesses RDU: Office of the Commissioner  
Sponsor: Representative Meyer Component: Commissioner's Office  
Requester: House L&C Component Number: 340

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	35.8	35.8	35.8	35.8	35.8	35.8
Travel						
Contractual	18.3	18.3	18.3	18.3	18.3	18.3
Supplies	7.0	1.5	1.5	1.5	1.5	1.5
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>61.1</b>	<b>55.6</b>	<b>55.6</b>	<b>55.6</b>	<b>55.6</b>	<b>55.6</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	20.5	19.1	19.1	19.1	19.1	19.1
1004 GF	10.4	9.0	9.0	9.0	9.0	9.0
1007 Interagency Receipts						
1157 Worker Safety Account	15.1	13.7	13.7	13.7	13.7	13.7
1172 Building Safety Account	10.4	9.1	9.1	9.1	9.1	9.1
1032 Fishermen's Fund	4.7	4.7	4.7	4.7	4.7	4.7
<b>TOTAL</b>	<b>61.1</b>	<b>55.6</b>	<b>55.6</b>	<b>55.6</b>	<b>55.6</b>	<b>55.6</b>

Estimate of any current year (FY2005) cost: None  
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

See Attached.

Prepared by: Guy Bell, Deputy Commissioner Phone: 465-2700  
Division: Office of the Commissioner Date/Time: 3/3/05 10:59 AM  
Approved by: Greg O'Clary, Commissioner Date: 3/3/2005  
Agency: Department of Labor and Workforce Development

FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

BILL VERSION: HB033CS-DOLWD-CO-03-03-05

ANALYSIS: (continued)

HB 33 requires a study of the economic impact on small business of every regulatory change before the change can be adopted. In addition, an extensive regulatory flexibility analysis must be completed for each regulation change and alternatives must be evaluated and documented. This information must be compiled into a report that will be used to justify the adoption of the regulations.

This bill will impact three divisions in the Department of Labor and Workforce Development: Labor Standards and Safety, Workers' Compensation, and Employment Security. To prepare the extensive analysis and the economic effect statements a part time Regulations Specialist II is required. The position will be located in the Commissioner's Office.

The total FY 06 actual cost to the department is estimated to be \$61.1. This includes personal services of \$35.8, indirect, postage, printing and telephone costs of \$18.3, and \$7.0 for supplies. The supplies funding includes costs for a computer and office furnishings required in the first year only.

This bill will impact the Labor Standards & Safety (LS&S) Division's Occupational Safety & Health (OSH), Mechanical Inspection and Wage & Hour programs. These LS&S programs have extensive regulations, both adopted directly and for the OSH program adopted by reference to the federal regulations. Total cost for LS&S is estimated at \$41.7. Funding would be OSH \$20.9 (\$10.4 Federal/\$10.5 Worker Safety Account), \$10.4 Mechanical Inspection (Building Safety Account) and \$10.4 Wage & Hour (General Fund).

This bill will impact the Workers' Compensation Division's Workers' Compensation and Fishermen's Fund programs. The total estimated cost of \$9.3 would be funded from the Worker Safety Account (\$4.6) and the Fishermen's Fund (\$4.7).

This bill will impact the Employment Security Division's Unemployment Insurance program. The division estimates that the provisions of the bill will increase costs by approximately \$10.1 annually which would be funded by federal receipts.

This bill has an effective date of January 1, 2006. However, to establish the procedures and to develop the required analysis and reports to comply with the provisions of the bill, the department needs to add the requested position at the beginning of the fiscal year.

NOTE: Since the department will not receive increased federal funding to cover the cost of this legislation, the increased federal cost will need to be absorbed within existing federal grant levels.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB 33 WD 'J'  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DPS  
Title: An Act relating to regulations that may RDU: Fire Prevention; AST; Statewd Supp  
govern the conduct of small businesses . . . Component: FP Operations; AST Director's Office;  
Sponsor: Representative Meyer AK Records & Identification  
Requester: House Labor & Commerce Component No.: 494; 508; 1190

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*****	*****	*****	*****	*****	*****

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill requires agencies adopting regulations to consider the impacts of those regulations on small businesses. Agencies must prepare a economic effect statement and a regulatory flexibility analysis as defined in the bill.

At this time, the Department of Public Safety (DPS) is unable to quantify the costs that will be incurred by passage of this legislation. However, the department's regulations do impact small businesses in Alaska, and the bill will have a cost. This fiscal note assumes that the Department of Commerce, Community, and Economic Development (DCCED), as the lead agency, will develop methodologies to assist in estimating the number of small businesses by type that would be impacted by any change in a particular regulation or set of regulations. Discussion of the potential impacts on small businesses by DPS' regulations follow:

Prepared by: Joan Kasson, Program Budget Analyst IV Phone 907-465-2640  
Division: Administrative Services Date/Time 3/3/05 12:00 AM  
Approved by: Commissioner William Tandeske Date 3/3/2005  
Agency: Department of Public Safety

## FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

BILL NO. CSHB 33 WD 'J'

### ANALYSIS CONTINUATION

The largest impact will be felt by the Division of Fire Prevention, which is responsible for the fire, building, and mechanical safety codes. These codes are lengthy and complex, and are revised approximately every two years after the adoption of revisions to the international codes by the International Code Council. Most changes are not enforced unless a new building is constructed or an existing building undergoes major renovation. Projecting how many small businesses might fall under the new provisions would be difficult. It would also be difficult to determine the cost of any particular provision in the fire, building, or mechanical code, much less the cost of all provisions that may impact any particular project. For example, if automatic fire sprinkler requirements increase, a building owner would incur an initial expense to meet those requirements, but would protect his investment and lower his fire risk over the long run. At the same time, the sprinkler supplier and installer would gain revenue from this new business. An economist would be necessary each time the division revised the approximately 1,270 pages of these codes, and the required analyses would add considerable time to the regulations process.

Alaska Records and Identification will also be impacted, although to a lesser degree. This bureau regulates security guard and process server businesses, as well as providers of the handgun training required for an Alaska concealed handgun permit. The bureau also processes all criminal background checks required for employment in certain fields (i.e., school bus drivers, day care providers, security guards, etc.), for which a regulated fee is charged, sometimes paid by the employee, sometimes by the business, sometimes by a government agency, and sometimes by a non-profit organization. The regulations governing these activities are not revised as often, and in the case of security guard, process server, and handgun training, impact a relatively small number of specific private businesses. The fees for the employment related criminal records checks span a wider range of businesses. In either case, however, the department does not have the staff or knowledge to perform the required analyses. Even if DCCED provided general economic consultant assistance, DPS staff time would be required to assist them, and presumably DCCED would charge for their services.

At this time, the department does not believe current Alaska State Trooper regulations impact private businesses significantly, if at all. However, future changes in state law could change this at any time. For example, bills currently under consideration by the Twenty-fourth Alaska State Legislature would regulate the sale of certain chemicals and precursors used in the manufacture of methamphetamine. As these substances are sold by stores of all types across the state, the impact of regulations to implement a law resulting from any of these bills would fall under CSHB 33 WD 'J'.

Without additional information about how this law has been implemented in other states by agencies similar to DPS and what kind of assistance would be provided by DCCED, the department is unable to estimate what the cost will be in Alaska.

# FISCAL NOTE

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

Fiscal Note Number: DRAFT  
 Bill Version: HB033CS(L&C)-DNR-CC  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Natural Resources  
 Title: Relating to regulations that may govern the RDU: Resource Development  
conduct of small businesses. Component: Commissioner's Office  
 Sponsor: Rep. Meyer  
 Requester: House L&C Component No.: 423

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	39.5	39.5	39.5	39.5	39.5	39.5
Travel						
Contractual	25.0	25.0	25.0	25.0	25.0	25.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match	19.2	19.2	19.2	19.2	19.2	19.2
1004 GF	42.8	42.8	42.8	42.8	42.8	42.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
1021 ARLF	2.5	2.5	2.5	2.5	2.5	2.5
<b>TOTAL</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>	<b>64.5</b>

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

DNR Divisions anticipate fiscal impar with implementation of this legislation. Impact is to personal services associated with additional preparation work on regulation packages and/or contracts for economic analysis services outside of DNR expertise

Prepared by: Janet Baxter, Legislative Liaison Phone 465-4730  
 Division: Commissioner's Office Date/Time 3/3/2005  
 Approved by: Tom Irwin, Commissioner Date 3/3/2005  
 Agency: Natural Resources

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB033CS(L&C)-DHSS-FMS-03-03-05

Revision Date/Time (Note if correction): \_\_\_\_\_

( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services

Title RELATING TO THE EFFECT OF  
REGULATIONS ON SMALL BUSINESSES

RDU Departmental Support Services

Component Commissioner's Office

Sponsor MEYER

Requester HOUSE (L&C)

Component No. 317

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	162.6	162.6	162.6	162.6	162.6	162.6
Travel	10.0	10.0	10.0	10.0	10.0	10.0
Contractual	30.0	30.0	30.0	30.0	30.0	30.0
Supplies	15.0	10.0	10.0	10.0	10.0	10.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>217.6</b>	<b>212.6</b>	<b>212.6</b>	<b>212.6</b>	<b>212.6</b>	<b>212.6</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (0)</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	217.6	212.6	212.6	212.6	212.6	212.6
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>217.6</b>	<b>212.6</b>	<b>212.6</b>	<b>212.6</b>	<b>212.6</b>	<b>212.6</b>

Estimate of any current year (FY2005) cost: \_\_\_\_\_

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The proposed legislation will require the Department of Health and Social Services to prepare an economic effect statement and regulatory flexibility analysis documenting the impact of all department regulations on small business in Alaska.

Department regulatory projects can generally be described as falling into 4 classifications:

1. Regulations necessary to implement new legislation;  
(cont. on page 2)

Prepared by: Sherry Hill, Special Assistant  
 Division: Office of the Commissioner  
 Approved by: Joel S. Gilbertson, Commissioner  
 Agency: Department of Health and Social Services

Phone 465-3039  
 Date/Time 03/02/2005  
 Date 03/03/2005

FISCAL NOTE  
FN #

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

BILL NO HB033CS(L&C)-DHSS-FMS 03-03-05

ANALYSIS CONTINUATION  
(cont. from page 1)

1. Regulations to implement cost containment strategies necessary to live within the budget appropriated by the legislature;
2. Regulations necessary to protect the public health and safety of Alaskans; and
3. Regulations necessary to comply with federal law, federal regulations, or federal funding agreements.

The capacity and expertise to prepare the detailed economic analyses envisioned in this legislation does not currently exist within the department. Virtually all department regulations affect small business in some fashion. In the absence of additional resources to comply with this new mandate, delays in implementing time-sensitive cost-containment or public health related regulations would be likely due either to the time required to prepare these analyses or delays resulting from legal challenges as to the adequacy of the analyses.

A typical example would be Medicaid cost-containment regulations where reductions in reimbursement rates to small health care providers is proposed in order to live within legislative appropriations. A public health and safety example might include requirements on small businesses to obtain criminal background checks on employees.

DHSS provides many of its services through contractual or grant agreements with small business providers, or direct payment for services such as the Medicaid program. Virtually every regulation change proposed by the department would have some impact on small businesses. Currently on the Department's regulation tracking system there are 24 regulation changes underway for completion by June 30, 2005 and another 26 items already planned for FY06. Some of these proposals are very broad ranging such as cost containment items for the Medicaid program that would impact every medical provider that bills for services under the Medicaid program. Another example is the regulation changes necessary to implement new provider software (AKAIMS) that will be used for management and reporting of both substance abuse and mental health programs. Regulations will provide for standard and updated reporting requirements.

The expertise needed to assess the projected reporting, recordkeeping and other administrative costs of small businesses from this type of regulation change would require analysis by an employee with program knowledge for each department program area, analysis skills, and small business knowledge. This would require additional positions to prepare the economic effect statement and regulatory flexibility analysis for each regulatory proposal. (cont. on page 3)

FISCAL NOTE  
FN #

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

BILL NO. HB033CS(L&C)-DHSS-FMS-03-03-05

ANALYSIS CONTINUATION  
(cont. from page 2)

In addition, this type of analysis could well delay implementation of some of the Medicaid provisions or other broad range regulation changes. On cost containment proposals, especially for Medicaid programs, any resulting delay in implementation of regulations could result in significant loss of savings to the Medicaid program.

A Research Analyst III, range 18, and a Medical Assistance Administrator IV (or Project Coordinator), range 21 are proposed to perform these functions. Estimated costs would be as follows:

Personal Services

Research Analyst III	73.7
MAA IV	88.9

Travel 10.0

To provide travel for coordination with First Health (Medicaid billing contractor), on-site review of small business requirements, coordination with department staff statewide involved in drafting regulations.

Contractual 30.0

Possible contractual assistance on complex analysis, printing, telephone, computer services, lease space, DOA chargeback for Risk Mgt, HR, Dept of Law consultations, etc.

Supplies 15.0

Workstation including computer and office furniture for new employees, and on-going office supply needs.

TOTAL 217.6

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**ALASKA**  
★ STATE ★  
**CHAMBER**  
OF COMMERCE

March 15, 2005

Representative Kevin Meyer, Co-Chair  
House Finance Committee  
Capitol Room 515  
State Capitol  
Juneau, Alaska 99801

Dear Representative Meyer,

RE: HB 33

The Chamber of Commerce supports any and all legislation meant to streamline the regulatory process, which ultimately allows Alaskan businesses to prosper. While HB 33 does not streamline the process, it ultimately creates an avenue of awareness for departments during the drafting of regulations. Incorporating business awareness into the rulemaking process should ultimately create better regulations that work with business, which should lessen the impact of legal action on new regulations.

Already complicated, the rulemaking process is often obfuscating and difficult to incorporate into any private business. HB 33 certainly makes progress in creating a regulatory process that is responsive to business interests. The "L" version of HB 33 simply requires the department to compile a list of affected businesses, while also requiring an impact statement using current and readily accessible data.

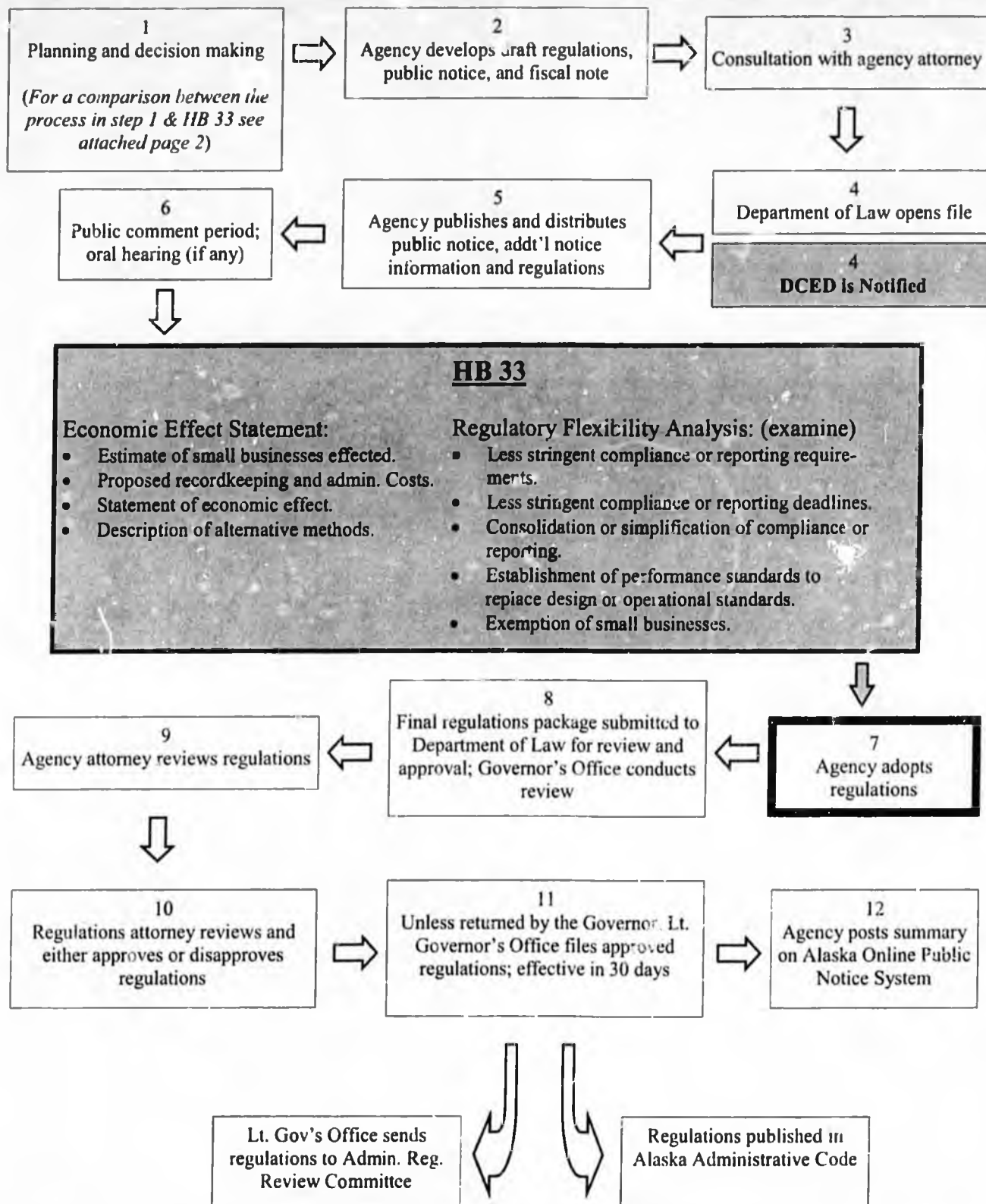
The State Chamber of Commerce strongly supports HB 33 and we are hopeful the bill will reach final passage this session. As written, HB 33 appears to be a no-brainer with its simplicity and straightforward approach in creating business awareness for the regulatory process.

Respectfully,

Wayne A. Stevens  
President/CEO

## STEPS IN THE REGULATION ADOPTION PROCESS UNDER HB33

Shaded areas indicate processes added by HB 33



The above chart has been modified from page 8 in the 15th Edition of the Drafting Manual for Administrative Regulations, Revised June 2002

Prepared by Michael Pawlowski, Representative Kevin Meyer

**STEPS IN THE REGULATION ADOPTION PROCESS UNDER HB33**  
Modified from the Drafting Manual for Administrative Regulations 15th Edition 2002

**DRAFTING MANUAL FOR  
ADMIN. REGULATIONS**

**STEP 1: PLANNING & DECISION  
MAKING**

"An agency should ask itself the following questions at the beginning of any regulations project."

1. What did the legislature intend to be accomplished through the program in question?
2. In reviewing relevant statutes, are there unanswered questions, ambiguous terms, or program details that must be clarified through regulations? Does the agency intend to allow electronic applications, submissions, or signatures?
3. What does the agency want to accomplish by adopting regulations?
4. What constitutional or statutory rights of individuals will be affected?
5. Who has the statutory authority to adopt the regulations (i.e., commissioner, board, governor)?
6. Which members of the public constitute the primary audience for the regulations and how should the regulations be organized and written to be most easily understood by them? Is there a way to write the regulations to achieve the agency's intent while keeping the public's cost of compliance low?\*
7. When do the regulations need to be in effect?
8. How will the regulations impact the agency's existing budget? Will more money be needed to implement the regulations? What are the alternatives?

**HB 33**

**ECONOMIC EFFECT STATEMENT**

"An agency shall use information received under AS 44.62.210 and AS 44.62.215, information provided by the department under (e) of this section, and other information in the files of the agency to prepare an economic effect statement required by (a) of this section. The economic effect statement must provide:

1. An identification (suggest replacing with - general description) and estimate of the number of small businesses that would be subject to the proposed regulation.
2. The projected reporting, recordkeeping and other administrative costs that small businesses would be required to incur in order to directly comply with the proposed regulation, including an identification of the type of professional skills necessary to prepare the report or record or to take administrative action.
3. A statement of the probable effect that the proposed regulation would have on small businesses whose conduct would be governed by the proposed regulation.
4. A description of any alternative methods of achieving the purpose of the proposed regulation that would be less intrusive or less costly for the small business whose conduct would be governed by the proposed regulation."

\*Underline added for emphasis, pg. 9-10

24-LS0239L

Bannister

3/14/05

**CS FOR HOUSE BILL NO. 33( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY****Offered:****Referred:****Sponsor(s): REPRESENTATIVES MEYER, Wilson, Kelly, Neuman****A BILL****FOR AN ACT ENTITLED**

1 **"An Act relating to regulations that may govern the conduct of small businesses; and**  
2 **providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 44.62 is amended by adding a new section to read:

5 **Sec. 44.62.218. Regulations affecting small businesses.** (a) Before an  
6 agency adopts a proposed regulation that may govern the conduct of small businesses,  
7 or when a person petitions an agency under AS 44.62.220 to adopt a proposed  
8 regulation that may govern the conduct of small businesses, the agency shall prepare  
9 an economic effect statement under (b) of this section, prepare a regulatory flexibility  
10 analysis under (c) of this section, and notify the department that the agency intends to  
11 adopt the proposed regulation or has received a petition under AS 44.62.220 to adopt  
12 the proposed regulation.

13 (b) An agency shall use the information received under AS 44.62.210 and  
14 44.62.215, information provided by the department under (e) of this section, and other

1 information in the files of the agency to prepare the economic effect statement  
2 required by (a) of this section. The economic effect statement must provide

3 (1) a general description and an estimate of the number of small  
4 businesses that would be subject to the proposed regulation;

5 (2) the projected reporting, recordkeeping, and other administrative  
6 costs that small businesses would be required to incur in order to comply with the  
7 proposed regulation, including an identification of the type of professional skills  
8 necessary to prepare the report or record or to take the administrative action;

9 (3) a statement of the probable economic effect that the proposed  
10 regulation would have on the small businesses whose conduct would be governed by  
11 the proposed regulation; and

12 (4) a description of any alternative methods of achieving the purpose  
13 of the proposed regulation that would be less intrusive or less costly for the small  
14 businesses whose conduct would be governed by the proposed regulation.

15 (c) In the regulatory flexibility analysis required by (a) of this section, an  
16 agency shall consider using regulatory methods that

17 (1) minimize the effects of the proposed regulation on small businesses  
18 while accomplishing the objectives of statutes authorizing the proposed regulation;  
19 and

20 (2) are consistent with health, safety, environmental welfare, and  
21 economic welfare.

22 (d) When preparing the regulatory flexibility analysis under (c) of this section,  
23 the agency shall consider

24 (1) the establishment of less stringent compliance or reporting  
25 requirements for small businesses;

26 (2) the establishment of less stringent schedules or deadlines for  
27 compliance or reporting requirements for small businesses;

28 (3) the consolidation or simplification of compliance or reporting  
29 requirements for small businesses;

30 (4) the establishment of performance standards to replace design or  
31 operational standards for small businesses; and

1 (5) the exemption of small businesses from all or any part of the  
2 requirements contained in the proposed regulation.

3 (e) The department shall advise and assist agencies to comply with this  
4 section.

5 (f) This section does not apply to regulations of

6 (1) a board or commission whose members are subject to confirmation  
7 by the legislature;

8 (2) the ombudsman;

9 (3) the office of victims' rights;

10 (4) the Alaska State Council on the Arts;

11 (5) the Local Boundary Commission;

12 (6) the division of elections;

13 (7) the administrative component of the Department of Administration  
14 that administers motor vehicle and driver's license laws;

15 (8) the Department of Corrections;

16 (9) the Department of Fish and Game; or

17 (10) the Department of Military and Veterans' Affairs.

18 (g) This section does not create a private cause of action. If an agency fails to  
19 comply with this section, the failure does not establish a ground on which to invalidate  
20 a regulation that has been filed by the lieutenant governor under AS 44.62.080. This  
21 subsection is not intended to prevent judicial review of a regulation under  
22 AS 44.62.300 for a reason unrelated to this section.

23 (h) In this section,

24 (1) "department" means the Department of Commerce, Community,  
25 and Economic Development;

26 (2) "governs the conduct" means regulates the manner in which a small  
27 business conducts its business activities but does not include the imposition of a fee to  
28 cover the cost of a state service if the fee is charged uniformly to all users of the  
29 service;

30 (3) "proposed regulation" means a proposal for a new regulation or for  
31 a change in or an addition to an existing regulation but does not include the repeal of

1 an existing regulation; or

2 (4) "regulation" has the meaning given in AS 44.62.640, but does not  
3 include an emergency regulation under AS 44.62.250 - 44.62.260;

4 (5) "small business" means

5 (A) a business entity, including its affiliates, that

6 (i) is independently owned and operated; and

7 (ii) employs fewer than 100 employees;

8 (B) a village corporation; in this subparagraph, "village  
9 corporation" has the meaning given in 43 U.S.C. 1602(j); or

10 (C) a nonprofit utility that employs fewer than 100 employees;  
11 in this subparagraph, "utility" has the meaning given in AS 42.05.990.

12 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 **TRANSITION.** AS 44.62.218, enacted by sec. 1 of this Act, applies to a proposed  
15 regulation proposed by an agency on or after January 1, 2006 or by an interested person under  
16 AS 44.62.220 on or after January 1, 2006. In this section, "proposed regulation" has the  
17 meaning given in AS 44.62.218, enacted by sec. 1 of this Act.

18 \* **Sec. 3.** This Act takes effect January 1, 2006.

## Changes to HB 33 in CS HB 33 version 24-LS 0379L

### HB 33

- **Section 1 (a)** "Before an agency adopt..."
- **Section 1 (a)** "that may have an adverse effect..."
- **Section 1 (b)** "using existing information and without conducting new studies that are extensive."
- **Section 1 (e)** "Every five years...the agency shall review..."

### CSHB 33

- **Section 1 (a)** "Before and agency adopts...or when a person petitions an agency under AS 44.62.220."

Alaska law contains a petition provision that allows a person to raise an objection to an existing regulation.

- **Section 1 (a)** "that governs the conduct of..."

Committee members raised the concern that an agency could not determine which regulations have an "adverse effect on" prior to conducting the economic effect statement. Changing the standard to "governs the conduct of" clarifies when the process set in section 1 should be initiated.

- **Section 1 (b) -**
  1. Using information received under the public comment process.
  2. Input from DCED.
  3. Information in the files of the agency.
- **Section 1 (b) 1 -**
  1. Added "general" before description
- **Removed**

Rather than reviewing every regulation every five years, regulations are reviewed only upon petition per section 1 (a).

## Changes to CSHB 33 version \G in CS HB 33 version 24-LS 0379\L

### HB 33

- Previously applied to all regulatory agencies
- Removed the judicial review provision
- Definitions

### CSHB 33

- **Section 1 (f)** - adds a list of exemptions.
- **Section 1 (g)** - included a specific prohibition on judicial review. But reiterates that review under AS 44.62.300 is not prevented.
- **Section 1 (h)**
  1. Department—DCED
  2. "governs the conduct of" - does not include the imposition of a fee to cover the cost of a state service **if** the fee is charged uniformly to all users.
  3. "proposed regulation" does **not** include the repeal of an existing regulation.
  4. "Regulation" does not include "emergency regulations."
  5. "Small Business" - less than 100 employees, a village corporation, or a public utility with fewer than 100 employees.

# **REPRESENTATIVE KEVIN MEYER**

---

HOUSE DISTRICT 30

## **MEMORANDUM**

**DATE:** March 3, 2004

**TO:** Representative Tom Anderson, Chairman  
House Labor and Commerce Committee

**FROM:** Representative Kevin Meyer

**RE:** Expanded packet for House Bill 33 *Effect of Regulation on Small Businesses*

---

Included in this packet:

- HB 33 *Effect of Regulation on Small Businesses v. LS-0239M*
- Responses to Committee Members Questions
- Summary of Changes
- Letter from State Chamber of Commerce
- Employment information from Department of Labor
- Testimony of Connie Marshall, SBA Advocacy
- Small Business Profile – Alaska
- Press Releases, SBA

## Changes to HB 33 Incorporated in CS HB 33 LS-0239A

### Questions

- Representative Lynn:

In lines 5-8 on page 1: "using available information without conducting new studies that are extensive?" How would this work?

- Representative LeDoux:

"A regulation that *may have an adverse effect* would include virtually all regulations before they are enacted." Unclear and perhaps overly inclusive.

- Representative Crawford:

"Definition of small business as 100 employees is perhaps too large and inappropriate for Alaska. Usually in statute the definition is for less than 50."

### Solution

- Reformed section 1 (b) [page 1 line 13—page 2 line 2]

An agency shall use:

- Information received under AS 44.62.210 (Public comment process)
- Information provided by DCED
- Other information in the files of the agency.

- Changed the standard in section 1 (a) [defined on page 3— lines 23 to 26]

New: "*that governs the conduct of*" - means regulates the manner in which small business conducts its business activities but does not include the imposition of a fee to cover the cost of a state service if the fee is charged uniformly to all users of the service.

- Changed the definition of small business on page 3 line 31 to page 4 lines 1-7.

New:

- Less than 50 employees
- Village Corporations
- Nonprofit utility with less than 100 employees

## Changes to HB 33 Incorporated in CS HB 33 LS-0239\I

### Questions

- Representative Guttenberg:  
"The regulatory environment is a big knot, and I see this as tightening the knot rather than loosening it, perhaps swaying one decision we could go about undermining another."

"New studies are needed to find out the if there is an adverse effect."

- Representative Rokeberg:  
"Many small business regulations are promulgated by agencies that recoup their costs through fees on the businesses being regulated. This bill could create a loop where you are adding cost to the regulatory process that is then born by the business community in fees for no added benefit."

### Solution

- Clarified what regulations trigger the process and the definition of small business.
- Changing the standard from: "that has an adverse impact on" to "that governs the conduct of," allows the process of writing the economic effect statement and regulatory flexibility analysis is initiated and any adverse impact can be determined in the process.
- Does the process add significant additional cost to state agencies?
- The experience of other states indicates that it doesn't have to, particularly with limiting provisions in the information used to develop the economic effect statements.
- Removed regulations promulgated by boards or commissions subject to confirmation by the legislature.

## Changes to HB 33 in CS HB 33 version: 24-LS 0379\Y

### HB 33

- **Section 1 (a)** "Before an agency adopt..."
  
- **Section 1 (a)** "that may have an adverse effect...."
  
- **Section 1 (b)** "using existing information and without conducting new studies that are extensive."
  
- **Section 1 (e)** "Every five years...the agency shall review..."

### CSHB 33

- **Section 1 (a)** "Before and agency adopts...or when a person petitions an agency under AS 44.62.220."

Alaska law contains a petition provision that allows a person to raise an objection to an existing regulation.

- **Section 1 (a)** "that governs the conduct of."

Committee members raised the concern that an agency could not determine which regulations have an "adverse effect on" prior to conducting the economic effect statement. Changing the standard to "governs the conduct of" clarifies when the process set in section 1 should be initiated.

- **Section 1 (b) -**
  1. Using information received under the public comment process.
  2. Input from DCED.
  3. Information in the files of the agency.
- **Removed**

Rather than reviewing every regulation every five years, regulations are reviewed only upon petition per section 1 (a).

## Changes to CSHB 33 version \G in CS HB 33 version 24-LS 0379\Y

### HB 33

- Previously applied to all regulatory agencies
- Removed the judicial review provision
- Definitions

### CSHB 33

- **Section 1 (f)** - adds a list of exemptions.
- **Section 1 (g)** - included a specific prohibition on judicial review.
- **Section 1 (h)**
  - 1.** Department—DCED
  - 2.** “governs the conduct of” - does not include the imposition of a fee to cover the cost of a state service **if** the fee is charged uniformly to all users.
  - 3.** “proposed regulation” does **not** include the repeal of an existing regulation.
  - 4.** “Small Business” - less than 50 employees, a village corporation, or a public utility with fewer than 100 employees.

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★ STATE ★  
CHAMBER  
OF COMMERCE

February 02, 2005

Representative Kevin Meyer, Co-Chair  
House Finance Committee  
Capitol Room 515  
State Capitol  
Juneau, Alaska 99801

Dear Representative Meyer,

RE: HB 33

I want to thank you for inviting the State Chamber of Commerce to meet with your staff regarding House Bill 33, introduced by you this session. The Chamber of Commerce supports any and all legislation meant to streamline the regulatory process which ultimately allows Alaskan businesses to prosper.

The State Chamber supports HB 33 and the Chamber hopes that the bill will work its way through the committee process. Already complicated, the rulemaking process is often obfuscating and difficult to incorporate into any private business. HB 33 certainly makes progress in creating a regulatory process that is responsive to business interests; however, legislating common sense may be a difficult task within the scope of HB 33. The State Chamber lauds your efforts within HB 33, while the chamber also recognizes the need for further clarification of HB 33 within the committee process.

The State Chamber of Commerce is willing to help you and your staff as HB 33 moves through the legislative process and the State Chamber of Commerce supports any and all of your efforts with regards to HB 33. To that end we have alerted our membership about the bill and have asked them to offer comments to us about the bill and its impact on their business.

Thank you for your efforts to lessen the impact of the regulatory process to small businesses. It is much appreciated.

Respectfully,

Wayne A. Stevens  
President

**Workforce Information**  
Department of Labor and  
Workforce Development

**Employment Size in Alaska**

<b>Businesses</b>	<b>Number</b>	<b>Total number of Employees</b>
Not Affected:		
1000 and over employees	36	73,796
500 to 999 employees	54	38,137
250 to 499 employees	86	30,060
100 to 249 employees	267	40,111
50 to 99 employees	428	29,107
<b>Total:</b>	<b>871</b>	<b>211,211</b>

<b>Businesses</b>	<b>Number</b>	<b>Total number of Employees</b>
Affected:		
20 to 49 employees	1,377	41,651
10 to 19 employees	2,127	28,652
5 to 9 employees	3,348	21,961
1 to 4 employees	9,579	16,037
<b>Total:</b>	<b>16,431</b>	<b>108,301</b>

**Connie Marshall  
Region X Advocate  
U.S. Small Business Administration  
before the  
House Labor and Commerce Committee  
of the  
Alaska State House  
March 4, 2005**

Chairman Anderson and members of the Labor and Commerce Committee, my name is Connie Marshall and I am the Regional Advocate for the U.S. Small Business Administration's Office of Advocacy's Region X (which includes Alaska, Washington, Oregon, and Idaho). It is an honor for me to speak to you today and testify on House Bill 33.

As the Regional Advocate for Region X, my job is to be the direct link between state and local governments, small business groups and small business owners and employees and the Office of Advocacy, based in Washington, DC. My chief concern is to help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level. It is my goal to see that programs and policies that encourage fair regulatory treatment of small business are developed and implemented to ensure future growth and prosperity. This is why I am testifying in support of proposed legislation which will strengthen small business regulatory flexibility in Alaska.

The Office of Advocacy enforces the Regulatory Flexibility Act (RFA) on the federal level in order to lessen the regulatory burden on small business. More than 93

percent of businesses in every state are small businesses. As you may know, small businesses with less than 20 employees spend \$6,975 each year per employee to comply with federal regulations—that is 60 percent more per employee than large firms with more than 500 employees spend. And that is just the cost of federal regulations. Small business owners also have to shoulder the cost of state regulations.

Under the RFA, Advocacy has shown time and again that regulations can be reduced and the economy improved without sacrificing such important goals as environmental quality, travel safety, and workplace safety. By working with federal agencies to implement the RFA, in 2004 the Office of Advocacy saved small businesses nationwide over \$17 billion in foregone regulatory costs that can now be used to create jobs, buy equipment and expand access to health care for millions of Americans, or simply maintain competitiveness in the marketplace.

While some states have state regulatory flexibility legislation that mandates state agencies to perform economic impact analysis before they regulate, many do not. For that reason, the Office of Advocacy drafted the Regulatory Flexibility Act model legislation and issued a report on the status of regulatory flexibility in the states in December of 2002.

There are five critical elements contained in the Regulatory Flexibility Act model bill. Successful state-level regulatory flexibility laws should have: (1) a small business definition that includes most small businesses, (2) a requirement that state agencies

perform an economic impact analysis before they regulate, (3) a requirement that state agencies consider less burdensome alternatives that still meet regulatory goals, (4) judicial review so that the law has teeth, and (5) a provision for state government to periodically review all its regulations. To be effective, there should be few, if any exemptions from the law. Even the best regulatory flexibility initiative has little value if the majority of state agencies are exempted from it. In order for regulatory flexibility to work, there is a need for the Governor's leadership, trained and educated state agencies that understand their responsibilities, and the continued involvement of the small business community.

During this time of tight state budgets, you may be wondering how much it costs a state to implement regulatory flexibility for small business. The answer is that implementing a regulatory flexibility system can be done at little to no additional cost to the state. Let me share information from two states that have recently implemented regulatory flexibility provisions.

In North Dakota, the agencies were granted no additional funds to carry out their duties under the new RFA legislation. The state legislative review committee is responsible for reviewing the regulations that their state agencies, using economic impact analysis, have determined might be overly burdensome to small business. So other than additional regulations for the committee to review, North Dakota has simply absorbed the new duties into their already existing system.

Similarly, in Colorado, the agencies were granted no additional funds to carry out their duties under the new RFA legislation. The Office of Policy Research and Regulatory Review in Colorado's Department of Regulatory Agencies was given responsibility for implementing the new law. To meet the new obligations, they shifted personnel in their office and dedicated part of an IT person to implement their e-rulemaking notification system. Like North Dakota, Colorado simply absorbed the new responsibilities into their current structure.

The benefits of implementing a regulatory flexibility system truly outweigh the costs. Let me give you an example of how regulatory flexibility works from a state that has had an active regulatory flexibility program for nearly ten years. In October 2004, New York State adopted an emergency regulation to prevent prescription fraud by requiring the use of an official State prescription form for all prescribing done in New York. The official prescription forms utilize security features that will curtail alterations and forgeries that divert drugs to black market sale to unsuspecting patients and cost New York's Medicaid program and private insurers tens of millions of dollars annually in fraudulent claims.

Under New York's State Administrative Procedure Act and an Executive Order signed by Governor Pataki, the Department of Health was required to perform a regulatory flexibility analysis for small business (RFASB). It was found that the proposed regulation would affect small businesses such as practitioners, pharmacists, retail pharmacies, hospitals and nursing homes.

Therefore, in drafting the regulation, the Department of Health met with and considered comments from the affected small businesses. By consulting with small business throughout the rule writing process, the New York Department of Health was able to craft a regulation that met their goals without unduly burdening small employers. The Serialized Official New York State Prescription Form regulation is expected to save private insurers and the Medicaid program millions of dollars due to the reduction of fraudulent prescription claims. In addition, the regulation will benefit the state, its citizens, and private insurers.

Since December of 2002, my fellow Regional Advocates and I have been working with state legislators across the country to make regulatory flexibility for small business a legislative priority. In 2004, 17 states (*California, Connecticut, Georgia, Idaho, Illinois, Kansas, Kentucky, Missouri, Nebraska, New Jersey, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Washington, and Wisconsin*) introduced regulatory flexibility legislation and seven states have signed legislation into law (*Connecticut, Kentucky, Missouri, Rhode Island, South Carolina, South Dakota, and Wisconsin*). In 2003, twelve states introduced regulatory flexibility legislation. Governors in North Dakota and Colorado signed regulatory flexibility legislation into law, while Massachusetts Governor Mitt Romney and West Virginia Governor Bob Wise signed Executive Orders to implement regulatory flexibility. To date, in 2005, twelve states including Alaska have introduced regulatory flexibility legislation. And a little over one

month ago, Arkansas Governor Mike Huckabee enacted regulatory flexibility by Executive Order.

One of the many reasons, I believe, this legislation has been so successful over the last two years is because policy makers across the country are realizing that regulatory flexibility is as an economic development tool. There are over 23.7 million small businesses in the United States and they are the job creators: small firms create between 60 and 80 percent of the net new jobs in our economy.

There is no question that small business is the backbone of the economy here in Alaska just as it is throughout the country. According to the federal definition of small business (500 employees or less), 96.9 percent (16,300) of Alaska's employers are considered small and employ over 59.6 percent (127,680) of Alaska's non-farm sector employees.

Sometimes, because of their size, small businesses aggregate importance to the economy can be overlooked. Because of this, it is very easy to overlook the negative impact of regulatory activities on them. The intent of this legislation is to compel regulatory agencies to consider small businesses when regulations are developed and particularly consider the disproportionate impact those regulations might have.

This legislation is needed. The Office of Advocacy commends you for bringing House Bill 33 forward.

## Small Business Profile: ALASKA

Small businesses make a significant contribution to the U.S. economy, and in 2003, they were the engine of Alaska's economic performance. Nationally, half of U.S. non-farm private output and employment is generated by small firms with 500 or fewer employees; in Alaska, small business owners—including women, minorities, and home based individuals—were leaders in the state's economy in 2003. The Office of Advocacy's *Small Business Profile* reports on small businesses in the state using the most currently available data.

**Number of Businesses.** The estimated total number of small businesses in Alaska in 2003 was 629,000.<sup>1</sup> Of the 16,825 employer firms in 2003, 96.9 percent or an estimated 16,300 were small firms. The estimated number of employer businesses increased by 1.9 percent in 2003. The most recent data available show that non-employer businesses numbered 46,643 in 2001. Self-employment increased by 9.8 percent, from 28,641 in 2002 to 31,458 in 2003. (Source: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Census Bureau; U.S. Dept. of Labor, Bureau of Labor Statistics.)

**Women-Owned Businesses.** Self-employment by women increased by 10.6 percent, from 11,514 in 2002 to 12,732 in 2003 and represented 40.3 percent of self-employed persons in the state. Women-owned businesses generated \$1.9 billion in revenues, employed 16,520 workers, and constituted 16,600 firms or 25.9 percent of all firms in 1997. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics; U.S. Dept. of Commerce, Census Bureau.)

**Minority-Owned Businesses.** In 1997, 17.8 percent or 1,900 of the minority-owned businesses in the state were employer firms, and they generated 87.4 percent of the total minority-owned business revenue of \$2.2 billion. There were 1,400 Hispanic-owned businesses; 900 Black-owned businesses; 1,800 Asian and Pacific Islander-owned businesses; and 6,800 American Indian and Alaskan Native-owned businesses in 1997. (Source: U.S. Dept. of Commerce, Census Bureau.)

**Business Turnover.** The estimated number of new employer businesses was 2,441 in 2003, which is 7.5 percent more than

the previous year. Business bankruptcies increased by 0.8 percent, and totaled 121 in 2003. Business terminations decreased by 1.3 percent and numbered 2,507 in 2003. (Source: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Census Bureau.)

**Employment.** Small businesses with fewer than 500 employees numbered 15,455 in 2001 and employed 127,680 people or 59.6 percent of the state's non-farm private workforce (Table 1).<sup>2</sup> Total net employment gain in the state amounted to 9,031 between 2000 and 2001. Of that number, 6,350 are attributable to MSAs (metropolitan statistical areas). During the same time period, firms with fewer than 20 employees gained 2,824 jobs. (Source: U.S. Dept. of Commerce, Census Bureau, Statistics of U.S. Businesses. Note: Urban (MSA) and rural (non-MSA) employment data is available at: [www.sba.gov/advo/stats/data.html](http://www.sba.gov/advo/stats/data.html).)

**Small Business Income.** Small business proprietors' income in 2003 increased by 5.8 percent, from \$2.2 billion in 2002 to \$2.3 billion in 2003. (Source: U.S. Dept. of Commerce.)

**Finance.** Small firms typically use commercial bank lenders and rely on local bank services. Over the last five years there has been a gradual decline in the number of banks in Alaska (Table 3). The Office of Advocacy has identified banks in each state that make the most loans to small businesses. This information is available in its banking studies available at [www.sba.gov/advo/stats](http://www.sba.gov/advo/stats).

To learn more about the Office of Advocacy's research, data, and analyses of small businesses, visit [www.sba.gov/advo](http://www.sba.gov/advo), call (202) 205-6533 or email [advocacy@sba.gov](mailto:advocacy@sba.gov).

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<sup>1</sup> The Office of Advocacy's estimate of the total number of state small businesses is based on the percent of small businesses (2001 Census Bureau firm size data) multiplied by the total number of employer businesses in 2003 (Dept. of Labor). To this total, we add the 2001 number of non-employer firms (Census Bureau).

<sup>2</sup> The number of employers listed in Table 1 is not directly comparable to the figures listed in the *Number of Businesses* section due to different data sources.

**Table 1. Firms and Employment in Alaska by Industry and Firm Size, 2001 (Thousands)**

Industry	Non-employer Firms	Employer Firms			Employment		
		Total	< 100	< 500	Total	< 100	< 500
<b>Total</b>	<b>46.64</b>	<b>15.96</b>	<b>15.19</b>	<b>15.46</b>	<b>214.3</b>	<b>92.95</b>	<b>127.68</b>
Agriculture, forestry, fishing, and hunting	8.63	0.31	0.31	0.31	1.61	1.07	*
Mining	0.19	0.1	0.07	0.08	9.7	0.71	2.37
Utilities	0.08	0.07	0.06	0.06	1.93	*	*
Construction	3.92	2.3	2.27	2.28	15.18	10.67	12.2
Manufacturing	1.01	0.45	0.42	0.43	11.01	2.95	4.82
Wholesale trade	0.62	0.6	0.49	0.51	7.15	0.49	5.34
Retail trade	4.2	2.15	2.02	2.05	33.4	2.02	16.37
Transportation and warehousing	2.04	0.77	0.68	0.71	18.1	0.68	7.71
Information	0.45	0.23	0.19	0.2	6.43	1.72	2.77
Finance and insurance	0.8	0.4	0.34	0.35	7.01	2.33	3.32
Real estate; rental and leasing	3.58	0.68	0.65	0.67	4.86	2.96	4.86
Professional, scientific, and technical services	5.58	1.58	1.5	1.51	11.4	7.09	7.58
Management of companies and enterprises	N/A	0.08	0.04	0.06	2.77	*	0.62
Admin., support, waste mgmt., and remed., services	2.07	0.87	0.79	0.81	11.26	0.79	6.04
Educational services	0.87	0.2	0.19	0.19	2.66	NA	*
Health care and social assistance	4.03	1.52	1.45	1.49	32.6	11.2	18.58
Arts, entertainment, and recreation	2.37	0.45	0.44	0.44	*	*	*
Accommodation and food services	1.48	1.54	1.49	1.52	21.93	12.13	16.84
Other services	4.73	1.63	1.58	1.6	11.35	*	*
Auxiliary, except corp, subsidiary, and regional managing offices	N/A	0.02	-	0.01	*	*	*
Unclassified	N/A	0.36	0.36	*	*	*	*

\*Data suppressed to protect the confidentiality of individual firms.  
Source: U.S. Department of Commerce, Census Bureau.

**Table 2. Non-farm Establishment Job Gains and Losses by Firm Size, 2000-2001 (Thousands)**

	Firm Size (Number of Employees)			
	Total	1-19	20-99	500+
<b>Job Gains:</b>				
New establishments	12.51	4.73	7.53	4.98
Expanding establishments	25.16	8.94	17.31	7.85
<b>Job Losses:</b>				
Downsized establishments	-18.73	-5.98	-14.09	-4.64
Closed establishments	-9.91	-4.86	-8.17	-1.74
<b>Net change in employment</b>	<b>9.03</b>	<b>2.82</b>	<b>2.58</b>	<b>6.45</b>

Source: U.S. Department of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 2001.

**Table 3. Number of Banks in Alaska by Asset Size, 1995-2003**

Number of Banks Per Year					Number of Banks by Asset Size, 2003				
1995	2000	2001	2002	2003	Below \$100M	\$100M-\$500M	\$500-\$1B	\$1B-\$10B	Over \$10B
8	6	6	6	6	1	2	1	2	0

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.  
The full list of small-business-friendly banks can be found on the Office of Advocacy's website at [www.sba.gov/advocacy/lending](http://www.sba.gov/advocacy/lending).



## **A Voice for Small Business**

409 3<sup>rd</sup> Street, SW • MC 3114 • Washington, DC 20416 • 202/205-6533 ph. • 202/205-6928 fax • [www.sba.gov/advo](http://www.sba.gov/advo)

### **The Facts About State Regulatory Flexibility Model Legislation**

- The role of the U.S. Small Business Administration's (SBA) Office of Advocacy is to reduce the excessive regulatory burden placed on small business. While focusing on federal regulations, Advocacy welcomes the opportunity to work with state leaders on their regulatory issues.
- President Bush has an active and aggressive small business plan that includes tearing down regulatory barriers to entrepreneurial success. Enforcing the Regulatory Flexibility Act (RFA) is central to the success of this commitment. By working with federal agencies to implement the RFA, the Office of Advocacy in FY 2004 saved small businesses \$17.1 billion in foregone regulatory costs that now can be used to create jobs, buy equipment, and expand access to health care for millions of Americans.
- The Office of Advocacy has drafted model legislation for consideration by states that mirrors the federal Regulatory Flexibility Act. Its intent is to foster a climate for entrepreneurial success in the states, so that small businesses will continue to create jobs, produce innovative new products and services, bring more Americans into the economic mainstream, and broaden the tax base.
- Successful state-level regulatory flexibility laws, as in the model legislation, should address the following areas: 1) A small business definition that includes most small businesses, 2) A requirement that state agencies perform an economic impact analysis before they regulate, 3) A requirement that state agencies consider less burdensome alternatives that still meet the regulatory goals, 4) Judicial review so that the law has teeth, and 5) A provision that forces state governments to periodically review all its regulations.
- Excessive regulation can be reduced, and the economy improved, without sacrificing important regulatory goals such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.
- Many states have some form of regulatory flexibility laws on the books. However, many of these laws do not contain all of the five critical elements. States with less effective regulatory flexibility laws would benefit as much as the states with no such laws, if they adopted this model legislation.
- According to a 2001 study funded by the Office of Advocacy, *The Impact of Regulatory Costs on Small Firms*, by Drs. Mark Crain and Thomas Hopkins, small businesses spend \$6,975 each year per employee just to comply with federal regulations and mandates. That's 60% more than large firms.
- Small businesses are vital to the health of states' economies. They are 99.7 percent of all businesses, employ half of the workforce, produce 52 percent of the private sector output, and provide significant ownership opportunities for women, minorities, and immigrants. A healthy small business sector also means a growing tax base.
- For text of model legislation and a chart of current state laws visit [www.sba.gov/advo](http://www.sba.gov/advo).

## **Office of Advocacy**

U.S. Small Business Administration

### ***NEWSRELEASE***

**For Release: November 24, 2004**

**Contact:** John McDowell, (202) 205-6941

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**SBA Number:** 04-40 ADVO

**Press Kit**

## **Rendell Urged To Sign Bill Protecting Small Business**

### ***HB 2442 Gives Small Business A Voice In The Regulatory Process***

WASHINGTON, D.C. - In a letter sent Wednesday, Chief Counsel for Advocacy Thomas M. Sullivan has urged Governor Rendell to sign the recently passed bill, HB 2442.

"Our research shows that small businesses are an important source of new jobs for Pennsylvania," said Sullivan. "By signing this legislation, Governor Rendell can help ensure that Pennsylvania's state agencies are sensitive to how proposed regulations affect small business growth and job creation."

HB 2442 unanimously passed both houses of the Pennsylvania General Assembly, which sent it to Governor Rendell for his signature on November 22. He has until December 2 to sign the bill. The bill will strengthen Pennsylvania's Independent Regulatory Review Commission (IRRC) in its role of the reviewing regulations. If signed, the legislation will require state regulators to consider the financial, economic, and social impact of new regulations on small businesses.

The bill implements some elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. Similar to the federal Regulatory Flexibility Act (RFA), the model encourages entrepreneurial success by requiring state agencies to consider their impact on small business before they issue final regulations.

The model legislation, endorsed by the American Legislative Exchange Council (ALEC), has been considered in 17 states. In the past year, small business regulatory flexibility has been signed into law by governors in Connecticut, Kentucky, Missouri, Rhode Island, South Carolina, South Dakota, and Wisconsin.

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

###

*Created by Congress in 1976, the Office of Advocacy of the U.S. Small Business Administration*

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# **Office of Advocacy**

U.S. Small Business Administration

## ***NEWSRELEASE***

**For Release: March 5, 2004**

**Contact: John McDowell (202) 205-6941**

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**SBA Number: 04-08 ADVO**

## **South Dakota Supports Small Business**

### ***Gives Voice To Small Business In State Regulatory Process***

WASHINGTON, D.C. – South Dakota small business will face a friendlier regulatory environment, thanks to new legislation signed into law by Governor Mike Rounds. The new law gives South Dakota's small businesses a voice in the state's regulatory process.

"Governor Rounds has worked closely with the legislature to bring small business issues to the forefront of the legislative session," said Thomas M. Sullivan, Chief Counsel for Advocacy. "This law gives small businesses a seat at the table when regulatory decisions are made. Without the hard work of Governor Rounds, and the bill's sponsors, Senator Eric Bogue and Representative Bill Peterson, it never would have happened," he said.

Senate Bill 112 implements elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. Similar to the federal Regulatory Flexibility Act (RFA), it encourages entrepreneurial success by requiring state agencies to consider their impact on small business before they issue final regulations.

Jerry Wheeler, executive director of the South Dakota Retailers Association and several other small business groups, including the National Federation of Independent Business, and the South Dakota and Sioux Falls Chambers of Commerce, led private sector support for the bill.

"The Office of Advocacy saved small business owners over \$6 billion in foregone regulatory compliance costs last year alone," said Sullivan. "We did that by bringing the voice of small business to federal agencies early in the regulatory process. The same thing can happen in the states when they adopt small business friendly regulations," he said.

By listening to small business, state agencies can ensure that small business resources spent on overly burdensome new regulations are instead available for hiring new employees and making new investments. At the same time, agencies still meet their regulatory goals, such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues. For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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## **Office of Advocacy**

U.S. Small Business Administration

### **NEWSRELEASE**

**For Release: September 25, 2003**

**Contact:** John McDowell (202) 205-6941

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**SBA Number:** 03-48 ADVO

### **Governor Romney Praised For Executive Order Mandating Small Business Friendly Regulation**

#### ***Signs Order Giving Small Business A Voice In The Regulatory Process***

WASHINGTON, D.C. – Joined by U.S. Small Business Administration Administrator Hector Barreto, Chief Counsel for Advocacy Thomas M. Sullivan today praised Massachusetts Governor Mitt Romney for signing an Executive Order giving small businesses a voice in the state's regulatory process. Sullivan heads the federal office charged with reducing regulatory barriers to entrepreneurial success.

"Massachusetts small business owners have a friend in Governor Romney," said Sullivan. "By signing this Executive Order he's given them a seat at the table when regulatory decisions are made. When their voice is heard, better decisions are made, and that means more jobs and growth for Massachusetts," he said.

Signed by Governor Romney, the Executive Order implements elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. Barbara Manning, New England Regional Advocate for the SBA, is working closely with Governor Romney to ensure that state agencies consider their impact on small business before imposing regulatory mandates.

By listening to small business, state agencies can ensure that small business resources that would have been spent on overly burdensome new regulations are instead available for hiring new employees and making new investments. At the same time, agencies still meet their regulatory goals, such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information and the complete text of the model legislation, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

###

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## **Office of Advocacy**

U.S. Small Business Administration

### **NEWSRELEASE**

**For Release: September 9, 2003**

**Contact:** John McDowell (202) 205-6941

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**SBA Number:** 03-45 ADVO

### **State Legislator Organization Endorses Small Business Friendly Regulation**

#### ***Rare Endorsement Of Federal Agency Sponsored State Model Legislation by American Legislative Exchange Council***

WASHINGTON, D.C. – The nation's largest bipartisan membership association of state legislators, the American Legislative Exchange Council (ALEC), has endorsed Office of Advocacy state model legislation promoting small business friendly policies. The vote in favor of the legislation marks a rare endorsement by ALEC of state model legislation proposed by a federal agency.

"We're pleased with the ALEC endorsement," said Thomas M. Sullivan, Chief Counsel for Advocacy. "It means that the model legislation has strong grassroots support and that small business owners across the country can look forward to the legislation being introduced in their states. The backing of ALEC adds to the model legislation victories in the North Dakota, and Colorado, legislatures. It's good to see that state policy makers are realizing that piling on more and more regulations, without considering their impact on small business, destroys jobs and economic growth for their constituents," he said.

The legislation, modeled after the federal Regulatory Flexibility Act (RFA), requires state agencies to consider their impact on small business before imposing regulatory mandates. By listening to small business, state agencies can ensure that small business resources that would have been spent on over burdensome new regulations are instead available for hiring new employees and making new investments. At the same time, agencies still meet their regulatory goals such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

Currently states offer a patchwork of laws that protect small business owners and their employees from excessive regulatory mandates. Some states offer protections similar to the RFA and enforcement mechanisms that mirror the role of the Office of Advocacy of the U.S. Small Business Administration (SBA). Other states offer little or no protection from the one-size-fits-all regulatory mentality.

"Creating a healthy business environment is the fundamental purpose of the model bill," said Duane Parde, executive director of the American Legislative Exchange Council. "Small businesses account for a majority of today's workforce and relieving the regulatory burden of businesses will stimulate job creation, innovation, and the growth and success of small businesses," he said.

For more information and the text of the model legislation, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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## **Office of Advocacy**

U.S. Small Business Administration

### ***NEWSRELEASE***

**For Release: June 3, 2003**

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**SBA Number: 03-37 ADVO**

### **Colorado Acts To Protect Small Business**

#### ***Governor Owens Signs Bill Promoting Small Business Friendly Regulation***

WASHINGTON, D.C. - Chief Counsel for Advocacy Thomas M. Sullivan traveled to Denver today to thank small business leaders in Colorado for advancing key small business legislation. The legislation, signed today by Governor Bill Owens, is designed to help the state's 135,000 small businesses by giving them a voice in the state's regulatory process.

"Colorado has taken a big step towards protection of its job-generating small businesses," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Now Colorado small businesses will have a seat at the table where government decisions are made. Small businesses can be thankful that they have strong champions in Governor Owens, and the bill's sponsors, Senator Andy McElhany, Chair of the Senate Business Affairs and Labor Committee, and Representative Tambor Williams, Chair of the House Business Affairs and Labor Committee," he said.

Signed by Governor Owens, S.B. 3-121 implements elements of model small business friendly regulatory legislation put forward by the Office of Advocacy of the SBA. The legislation mirrors the federal Regulatory Flexibility Act (RFA). That act encourages entrepreneurial success by requiring federal agencies to consider their impact on small business before they issue final regulations.

In Denver to meet with the Governor, representatives of the National Federation of Independent Business and the Chamber of Commerce Sullivan said, "By bringing the voice of small business to federal agencies early in the regulatory process the Office of Advocacy saved small business owners over \$21 billion in foregone regulatory compliance costs last year. Now that can happen in Colorado."

By listening to small business, agencies can ensure that funds, which would have been spent on over burdensome new regulations, are instead available for hiring new employees and making new investments. At the same time, agencies still meet their regulatory goals such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to Congress and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues. For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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# Office of Advocacy

U.S. Small Business Administration

## NEWSRELEASE

**For Release: May 14, 2003**

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**SBA Number:** 03-23 ADVO

### Missouri Legislature Protects Small Business

#### *Small Business Watchdog Urges Gov. Holden To Sign Bill*

WASHINGTON, D.C. – The Missouri General Assembly has acted to protect Missouri's small businesses by creating a small business regulatory fairness board. The board gives Missouri's nearly 120,000 small businesses owners a voice in the state's regulatory process.

"The Missouri General Assembly has taken a big step towards protection of Missouri's job-generating small businesses," said Thomas M. Sullivan, Chief Counsel for Advocacy. "The small business regulatory fairness board will guarantee small business a seat at the table where government decisions are made. Small businesses can be thankful that they have strong champions in Sen. Anita Yeckel (St. Louis) and Rep. Brian Baker (Belton), the sponsors of the legislation," he said.

The legislation, Senate Bill 69, now heads to Governor Bob Holden for his signature. "I urge Gov. Holden to sign SB 69," said Sullivan, who traveled to Jefferson City in September to testify in favor of the bill. "Small business is the heart of Missouri's economy. But sometimes it's easy to overlook their importance — and it's easy to overlook how federal and state mandates are crushing them. This legislation will help to level the playing field and encourage entrepreneurship in Missouri," he said.

The Small Business Regulatory Fairness Board will provide state agencies with input on proposed rules which adversely affect small business; consider requests from small business owners for reviews of previously adopted rules; review rules which affect small business and make recommendations to the General Assembly regarding the need for rules or legislation; and conduct hearings on the enforcement of rules by state agencies. The board will also issue an annual report to the governor and the General Assembly evaluating state agencies' regulatory fairness for small business.

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# Office of Advocacy

U.S. Small Business Administration

## NEWSRELEASE

**For Release: April 29, 2003**

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SBA Number: 03-20 ADVO

### **Gov. Hoeven Supports North Dakota Small Business**

#### ***Praised For Efforts To Bring Small Business Friendly Regulation To State***

WASHINGTON, D.C. – Governor John Hoeven was praised today for his efforts to bring small business friendly regulation to North Dakota by Chief Counsel for Advocacy Thomas M. Sullivan. Sullivan heads the federal office charged with reducing regulatory barriers to entrepreneurial success.

"Governor Hoeven worked closely with the legislature to bring small business issues to the forefront of the legislative session," said Sullivan. "This cooperation led to the signing of H.B. 1212, a bill that helps make the North Dakota regulatory process more small business friendly. Without his hard work and dedication to small business, the bill would never have become law. I'm proud to say that North Dakota small business has a real champion in Governor Hoeven," he said.

Signed by Governor Hoeven, H.B. 1212 implements elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. The legislation is modeled after the federal Regulatory Flexibility Act (RFA). That act encourages entrepreneurial success by requiring federal agencies to consider their impact on small business before they issue final regulations.

"The Office of Advocacy saved small business owners over \$21 billion in foregone regulatory compliance costs last year alone," said Sullivan. "We did that by bringing the voice of small business to federal agencies early in the regulatory process. The same thing can happen in the states if they adopt the model legislation," he said.

By listening to small business, federal agencies can ensure that funds, which would have been spent on over burdensome new regulations, are instead available for hiring new employees, purchasing new equipment, and making other investments. At the same time, agencies still meet their regulatory goals such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

North Dakota small businesses and their representatives strongly back small business friendly regulation, rather than a one-size-fits-all regulatory mentality. Testifying in support before the legislature were the National Federation of Independent Business, then president of the Mandan-Bismarck Chamber of Commerce Dave McIver, and Fargo caterer John Carson.

For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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### **Reps. Mark Dosch And George Keiser Support North Dakota Small Business**

#### ***Praised For Efforts To Bring Small Business Friendly Regulation To State***

WASHINGTON, D.C. – Representatives Mark Dosch (R-Bismarck) and George Keiser (R-Bismarck) were praised today for their efforts to bring small business friendly regulation to North Dakota by Chief Counsel for Advocacy Thomas M. Sullivan. Sullivan heads the federal office charged with reducing regulatory barriers to entrepreneurial success.

"The North Dakota legislature brought a welcome focus to small business issues during its recently concluded session," said Sullivan. "Representative Dosch led that effort through his sponsorship of H.B. 1212, a bill that helps make the North Dakota regulatory process more small business friendly. Chairman Keiser played a key role by shepherding the bill through his committee. Without their hard work and dedication, the bill would never have made it to Governor Hoeven for his signature. I'm proud to say that North Dakota small business has real champions in Representatives Dosch and Keiser," he said.

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## **Sen. Mutch Supports North Dakota Small Business**

### ***Praised For Efforts To Bring Small Business Friendly Regulation To State***

WASHINGTON, D.C. – Senator Duane Mutch (R-Larimore) was praised today for his efforts to bring small business friendly regulation to North Dakota by Chief Counsel for Advocacy Thomas M. Sullivan. Sullivan heads the federal office charged with reducing regulatory barriers to entrepreneurial success.

"The North Dakota legislature brought a welcome focus to small business issues during its recently concluded session," said Sullivan. "Chairman Mutch led that effort by shepherding through his committee H.B. 1212, a bill that helps make the North Dakota regulatory process more small business friendly. Without his hard work and dedication to small business, the bill would never have made it to Governor Hoeven for his signature. I'm proud to say that North Dakota small business has a real champion in Senator Mutch," he said.

Signed by Governor Hoeven, H.B. 1212 implements elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. The legislation is modeled after the federal Regulatory Flexibility Act (RFA). That act encourages entrepreneurial success by requiring federal agencies to consider their impact on small business before they issue final regulations.

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For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo)

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## **Rep. Ekstrom Supports North Dakota Small Business**

### ***Praised For Efforts To Bring Small Business Friendly Regulation To State***

WASHINGTON, D.C. – Representative Mary Ekstrom (D-Fargo) was praised today for her efforts to bring small business friendly regulation to North Dakota by Chief Counsel for Advocacy Thomas M. Sullivan. Sullivan heads the federal office charged with reducing regulatory barriers to entrepreneurial success.

"The North Dakota legislature brought a welcome focus to small business issues during its recently concluded session," said Sullivan. "Representative Ekstrom led bi-partisan support of H.B. 1212, a bill that helps make the North Dakota regulatory process more small business friendly. Without her hard work and dedication to small business, the bill would never have made it to Governor Hoeven for his signature. I'm proud to say that North Dakota small business has a real champion in Representative Ekstrom," he said.

Signed by Governor Hoeven, H.B. 1212 implements elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. The legislation is modeled after the federal Regulatory Flexibility Act (RFA). That act encourages entrepreneurial success by requiring federal agencies to consider their impact on small business before they issue final regulations.

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# Office of Advocacy

U.S. Small Business Administration

## NEWSRELEASE

**For Release: March 26, 2003**

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**SBA Number:** 03-15 ADVO

### **Rhode Island Small Business To Benefit From Proposed Legislation**

#### ***Bill To Create Small Business Friendly Regulation Lauded In Testimony***

WASHINGTON, D.C. – Over 30,000 small businesses in Rhode Island will benefit from small business friendly regulation, according to Thomas M. Sullivan, Chief Counsel for Advocacy of the U.S. Small Business Administration. Sullivan testified today before the Rhode Island Senate Financial Services, Technology, and Regulatory Issues Committee.

While testifying Sullivan said that, "There is no question that small business is the backbone of the economy here in Rhode Island just as it is throughout the country. Sometimes, because small businesses are small, it is easy to overlook their aggregate importance to the economy—and it is easy to overlook how the mass of federal and state mandates is crushing them. The intent of this legislation is to have state agencies consider the consequences on small business BEFORE they regulate."

Sullivan also said that he applauds "Small business leaders in Rhode Island, like Senator Leo Blais, whose experiences with state regulations motivated him to bring this issue before the state legislature."

Sullivan testified on behalf of SB 0198 sponsored by Senator Leo Blais. The bill ensures that the voice of small business will be heard early in Rhode Island's regulatory process. It also requires state agencies to consider alternatives to proposed regulations that will minimize adverse impacts on small business while still meeting regulatory objectives.

In addition, the legislation calls for state agencies to prepare economic impact statements prior to adoption of proposed regulations that adversely affect small businesses. Agencies must also review existing regulations to determine if regulatory objectives can be met with revised rules, which will have less of an impact on small business.

For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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*policy analyses, and small business outreach help identify issues of concern. Regional Advocates and an office in Washington, DC, support the Chief Counsel's efforts. For more information on the Office of Advocacy, visit [www.sba.gov/advo](http://www.sba.gov/advo). or call (202) 205-6533.*

# Office of Advocacy

U.S. Small Business Administration

## NEWSRELEASE

**For Release: February 10, 2003**

**Contact:** John McDowell (202) 205-6941

**SBA Number:** 03-08 ADVO

[john.mcdowell@sba.gov](mailto:john.mcdowell@sba.gov)

### Missouri Small Business To Benefit From Proposed Legislation

#### *Bill To Create Regulatory Fairness Board Lauded In Testimony*

WASHINGTON, D.C. – Nearly 120,000 Missouri small businesses will benefit from creation of a state regulatory fairness board, according to Thomas M. Sullivan, Chief Counsel for Advocacy of the U.S. Small Business Administration. Sullivan testified today before the Missouri Senate Financial and Governmental Organization, Veterans' Affairs and Elections Committee and the House Small Business Committee.

While testifying Sullivan said that, "There is no question that small business is the backbone of the economy here in Missouri just as it is throughout the country. Sometimes, because small businesses are small, it is easy to overlook their aggregate importance to the economy—and it is easy to overlook how the mass of federal and state mandates is crushing them. The intent of this legislation is to have state agencies consider the consequences on small business BEFORE they regulate."

Sullivan also said that he applauds "Missouri's effort to offer this important new tool guarantees small business a seat at the table where government decisions are made."

Sullivan testified on behalf of SB 0069 sponsored by Sen. Anita Yeckel and HB 322 sponsored by Rep. Brian Baker. The companion bills are both titled "Creates the Small Business Regulatory Fairness Board to serve as liaison between the agencies and small business."

For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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## **Office of Advocacy**

U.S. Small Business Administration

### **NEWSRELEASE**

**For Release: December 16, 2002**

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**SBA Number:** 02-48 ADVO

### **Entrepreneurial Success Model Legislation Offered To State Legislators**

#### ***Federal Law Has Saved Billions, State Laws Expected To Do Same***

WASHINGTON, D.C. – Small business will save billions in foregone regulatory compliance costs should states enact model legislation recently unveiled by Thomas M. Sullivan, Chief Counsel for Advocacy. Introduced at the American Legislative Exchange Council (ALEC) States and Nation Policy Summit, the legislation is modeled after the federal Regulatory Flexibility Act (RFA). That act encourages entrepreneurial success by requiring federal agencies to consider their impact on small business before they issue final regulations.

"The Office of Advocacy saved small business owners over \$4 billion in foregone regulatory compliance costs last year alone," said Sullivan. "We did that by bringing the voice of small business to federal agencies early in the regulatory process. The same thing can happen in the states if they adopt this model legislation," he said.

By listening to small business, federal agencies can ensure that funds, which would have been spent on over burdensome new regulations, are instead available for hiring new employees, purchasing new equipment, and making other investments. At the same time, agencies still meet their regulatory goals such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

Currently states offer a patchwork of laws that protect small business owners and their employees from excessive regulatory mandates. Some states offer protections similar to the RFA and enforcement mechanisms that mirror the role of the Office of Advocacy of the U.S. Small Business Administration (SBA). Other states offer little or no protection from the one-size-fits-all regulatory mentality.

"We brought this model legislation to the members of ALEC because we know that they care about entrepreneurial success," said Sullivan. "These state legislators are well aware that small business employs over half of the work force. If they want to decrease unemployment, grow their economies, and increase state revenues, it makes sense that they will want to level the playing field for small business," he said.

For more information, complete text of the model legislation, and a report outlining existing state regulatory protection for small business, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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# **Office of Advocacy**

U.S. Small Business Administration

## ***NEWSRELEASE***

**For Release: June 7, 2002**

**Contact: John McDowell (202) 205-7341**

**SBA Number: 02-29 ADVO**

**john.mcdowell@sba.gov**

### **Oklahoma Takes Major Step For Small Business**

#### ***Governor Keating Signs Small Business Regulatory Flexibility Act***

WASHINGTON, D.C. - Oklahoma today took a major step in promoting job-creating small business, as Governor Keating signed the Oklahoma Small Business Regulatory Flexibility Act. Modeled on its federal counterpart, the measure ensures that Oklahoma's small businesses are given a fair hearing when new state regulations are considered.

The new law creates the Small Business Regulatory Review Committee within the Oklahoma Department of Commerce. The committee is charged with reviewing new regulations that adversely affect small business. Once reviewed, the committee will work with Oklahoma agencies to find less restrictive alternatives and creative, innovative, and flexible means for small businesses to comply with the goals of the new regulations.

"With Governor Keating's signature, Oklahoma has joined a select group of states that recognize the importance of small business to their economy," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Lots of people talk about the importance of small business, but Oklahoma is one of the states that have acted. Oklahoma is lucky to have strong bipartisan support for small business in Senator James Maddox and Representatives Bob Plunk, Jari Askins and Kevin Calvey, the original co-sponsors of the Act," he continued.

Among provisions favorable to small business, the Act allows small businesses adversely affected by regulations to file written petitions, under certain conditions, asking that the rules be amended, revised, or revoked.

"The Oklahoma Small Business Regulatory Flexibility Act shows what we can accomplish when we work together in a bipartisan manner," said Governor Keating. "Small business is central to our economic well-being, and this Act will help keep it strong and healthy," he said.

The Act confirms the importance of small business to Oklahoma's economy. In 2000, according to Office of Advocacy research, 98.3 percent of Oklahoma's businesses were small businesses. They employed 49.3 percent of the state's workforce and generated \$18.4 billion in income. Additionally, 343,000 Oklahomans were self-employed in 2000.

For more information, visit the Office of Advocacy website at <http://www.sba.gov/advo>.

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