

## BUSINESS GROUPS ZING AIR REGS, PROPOSED WATER ACT

Two of the state's major business groups took aim Thursday at Michigan's program regulating toxic air emissions and a proposal by the Granholm administration to regulate large water uses, saying both depress prospects for growing the economy. The Michigan Manufacturers Association and the Michigan Chamber of Commerce said the air program largely duplicates what is required by federal law and warned of costs upward of \$100 million to implement the proposed water regulations.

Their criticisms came during a House Natural Resources, Great Lakes, Land Use and Environment Committee hearing on the impact of environmental regulations on jobs.

Mike Johnston, director of regulatory affairs for the MMA, said compliance with state regulations is part of a 20 percent cost disadvantage that U.S. companies face when competing with the rest of the world. And noting several indicators demonstrate the environment is improving over the past several decades, he said, "We need to look at every rule, every law and see if it is a vestige of when we just competed with other states. Regulations matter. They impose time and they impose costs."

The toxic air emission program is one of those, as Mr. Johnston said it had worthy goals at a time when the federal government did not have regulations. But now, he said businesses must comply with two separate criteria and the Legislature should consider doing away with regulations that duplicate federal controls.

Doug Roberts Jr., director of environmental affairs for the Chamber, agreed with the need

to eliminate duplication in the air permit programs, but additionally urged legislators to allow the DEQ to use private contractors to handle some functions leading up to issuance of permits.

Still, Mr. Johnston praised what has been done by the Department of Environmental Quality in the past year to streamline the permitting process, pointing to a General Motors permit issued in 22 days, significantly quicker than the six-month goal and leagues faster than the year or more that had been common. "It's a remarkable reform of government and we think that the rest of state government ought to be doing this," Mr. Johnston said.

And he said Michigan is already on track with other states, particularly those in the Great Lakes basin, on water regulations, and urged legislators to do nothing until the anticipated summer report of the Groundwater Conservation Advisory Council. Saying water has a long history of being used in a wide array of products, Mr. Johnston said, "Let's not get too excited about water use."

Governor Jennifer Granholm's Water Legacy Act - which she has listed as among the "no-brainer" issues that deserve prompt attention - would regulate large users of groundwater.

Mr. Roberts also counseled patience pending the groundwater council report, saying, "Hopefully we will have good information this fall to move forward on water. The proposed Water Legacy Act, he said, would affect 4,200 users.

Rob Anderson of the Michigan Farm Bureau said his members are also warily looking at state water regulations. "If it becomes cost

prohibitive to have access to water, we have to think about the impact on agricultural producers," he said.

Mr. Johnston said he was not calling for a lessening of environmental standards, but said some regulations often have no direct benefit to the environment, such as required reports of information already available in other forms.

Former Natural Resources Director Russ Harding, now a senior environmental policy analyst for the Mackinac Center for Public Policy, called the proposed water regulations "the largest job killer I could come up with." He had one additional proposal which he said would reduce state government and improve business compliance: cede to the U.S. Army Corps of Engineers the responsibility to regulating wetlands as he said is done in all but one other state.

Other suggestions to reduce the state's regulatory burden were: setting the six-month standard for issuing permits as a requirement; and requiring legislative and gubernatorial approval for any state regulation more stringent than federal rules;

The committee heard a brief retort from James Clift, executive director of the Michigan Environmental Council who said a degraded environment has consequences on human health which in turn can drive up business costs.

"Even though the environment might be getting better, it still has a significant impact on health and that costs job providers and the citizens of Michigan," he said.