

Cangiolosi, Ryan, GOV

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To: Gardner, Keith, GOV; Cangiolosi, Ryan, GOV
Cc: Barela, Jon, EDD; Eastwood, Brent, EDD
Subject: Governor's Mid-Point Small Business Task Force Report



SUSANA MARTINEZ
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Small Business Task Force Mid-Point Report

The Small Business Task Force signed into executive order by Governor Susana Martinez and led by Economic Development Secretary Jon Barela has put together a mid-point status report. A full report will be submitted to the Governor by this task force Friday, April 1. The task force does not wish to present a laundry list of problems to the Governor but develop solutions. The goal is to provide the Governor and/or agencies cover when repealing or revising a rule or regulation thus avoiding litigation if possible. The final report to the Governor will include a roadmap of short and long-term tactics and strategies, including the use of executive orders and legislative efforts. Each troublesome regulation identified will be accompanied by a recommendation on the best way to reduce their negative impacts. Because of time and resources, the task force has been broken down into two areas of focus in which industries have been significantly and economically affected by rules and regulations: environment and construction.

Below is a list of preliminary action taken by the task force and suggested solutions:

- The first motion of the Small Business Task Force was to propose that state rules and regulations across the board be no more stringent than federal requirements and to correct any rule or regulation that requires more regulation than federal standards.
- The task force is prioritizing rules and regulations to target in NMED, EMNRD and Game and Fish that are having the most impact on economic development and the will determine the best approach to rescind or revise the troublesome rules/regulations.
- Examples of onerous legislation:
 - 19.15.5 NMAC "Enforcement and Compliance". This rule will be reviewed as part of a review of oil and gas enforcement processes and policies to ensure that requirements are enforced fairly and reasonably.
 - 19.15.17 NMAC "Pits, Closed Loop Systems, Below Grade Tanks, and Sumps". The department will review the changes made to this rule in recent years to determine if any of the additional requirements are creating costly burdens to the regulated community without

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significantly improving environmental protection.

o 19.15.36 NMAC "Surface Waste Management Facilities". Same review as 19.15.17.

- To address a large backlog and many complaints about environmental permitting, the environment subcommittee recommends working with NMED to develop a fast-track environmental permit process. Raj Solomon, Dep. Secretary of NMED, has agreed to name a six member team from his department to begin work on a new procedure for businesses to receive an expedited application for the permit(s) they need.
- NMED has also agreed to develop a "Small Business Committee" that would work with EDD Office of Business Advocacy to solve problems with regulations or permitting. NMED is planning on conducting surveys to collect opinions and data from industry to improve customer service.
- EDD's Office of Business Advocacy would establish a Web-based "whistleblower" complaint log and phone-based hotline for businesses to confidentially communicate their complaints about environmental permits or regulations. Companies often do not want to be seen or labeled as "troublemakers" by making public complaints. If they have do have complaints about NMED, this would ensure that companies would have confidentiality if they criticize departmental practices or policies through the whistleblower program. EDD Office of Business Advocacy would administer this program and investigate complaints.
- Beyond changing a rule or regulation is the enforcement and handling of regulations and rules, particularly with permitting, by mid-level classified employees. An overarching theme we have observed is the difficulty working with mid-level classified managers at NMED and other departments who still have an anti-business political agenda despite changes in leadership at the exempt-employee level. The committee is looking for ways to mitigate this situation.
- The environment subcommittee suggests removing New Mexico from the Western Climate Initiative as a partner with California in Cap and Trade. It would like to see NM move to a more of a "wait and watch for the science" status like Utah, Washington, Oregon who are not part of the cap and trade program. Another suggestion is to remove the New Mexico-only Cap and Tax. The subcommittee also proposes working with other western governors to delay the adoption of new air standards
- The construction subcommittee is looking for ways to combine and reduce the number of licenses required of the construction industry (without jeopardizing health or safety).It also wants to review, and if necessary remove, Richardson executive orders that have been implemented by the former CID director.
- The construction subcommittee is looking at the building codes adopted in the late days of the previous administration to identify ways to bring compliance back down to the international code.
- The construction subcommittee is also reviewing the procedure for the repeal, modification or replacement of the recently adopted regulatory amendment implementing the collective bargaining wage rate scheme for prevailing wages provided for in 2009 amendments to the Public Works Minimum Wage Act, known as SB 33.