



MCAQD Air Quality Conference

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October 20, 2009

Guidance from the Business Community on How to Improve Regulations



- Take the Time to Understand the Competitive Environment of Those You Regulate
 - Understanding our business pressures will make you a better regulator
- Businesses Care about Regulations because:
 - It impacts **operational flexibility** (Businesses need to continually adapt to a changing business environment.)
 - It reduces **cost predictability** (The more predictable cost drivers a business has, the more competitive a business can be.)
 - It can create disparities with competitors in less regulated environments

What Businesses Value (Flexibility)



- Flexibility
 - Ability to change products is a key pillar of modern business success
 - Markets change faster than ever before and business must be able to respond.
 - Regulatory systems that impede innovation and change are particularly problematic (Regulations can impact product development.)
 - (Changes in permit conditions can take longer than the development cycle for a new product)
 - Regulations need to provide flexibility in how business meets the regulatory requirements
 - Tell Us the Standard but Let Us Figure out How to Meet it.

Business Value Predictability



- With a highly uncertain marketplace the ability to predict cost drivers are critical to success
 - Just like labor and energy cost uncertainty-regulatory uncertainty makes a business less competitive:
 - Reduces the ability to aggressively price products and services
 - Increase the need to reserve resources for unanticipated regulatory costs which shrinks available capital to fund core business activities like R&D and marketing.
 - Regulatory uncertainty restricts innovation making old methods more attractive
- Long-term planning for new regulation development by government is critical to improve predictability (We worry about the regulation we don't know about yet)
- Permit approval timeframes are critical in reducing uncertainty

View Regulations with A Competitive Eye



- Regulators should continually review the cost of compliance against competitor states/localities
- The Environmental protection goals may be the same but the efficiency of the regulation can vary considerably
- Reduce the Regulatory Costs by:
 - Reducing Uncertainty in the Permitting Process (General Permits)
 - Allow for flexibility to meet standards
 - Seek regulations that have environment and business benefits. Return on Investment for the Regulated Community is Key
 - Regulations that improve operating efficiency and make environmental sense
 - Benchmark against competitors



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