

Let's Cut The Red Tape, And Then Let's Cut Ribbons

By Sen. Gerald Hocker

I fear I am part of a dying breed - an entrepreneur who was able to successfully launch and grow a business in the state of Delaware.

Forty three years ago in Ocean View, my wife, Emily, and I opened our first grocery store with five employees. Over the decades we grew consistently, eventually opening five businesses and employing more than 200 people.

If I had to do it all over again today, there is no way I could even think about starting a business in a state that has devolved so quickly from "business-friendly" to "anti-business."

There are many reasons for this: Higher taxes and the sky-rocketing costs of unemployment insurance, health insurance, and workers' compensation insurance. On top of that, we have a governor who wants to further burden individuals and businesses with new gasoline and water taxes.

But when I ask other employers and entrepreneurs to identify the item most responsible for holding them back from expanding and creating jobs, by far the answer I hear the most is regulations - cumbersome, time-consuming, expensive, job-killing regulations.

We need to do a better job reducing the burden of regulations on Delaware businesses, something an executive order signed last June by Gov. Markell did not accomplish. About all this so-called regulatory reform did was eliminate 61 completely outdated regulations - 61 out of the more than 5,000 regulations that currently exist in Delaware.

Furthermore, it has done nothing to stop the endless flood of red tape. Since the executive order was signed, 18 new regulations have been introduced - a 28 percent increase over the number of regulations introduced the previous year.

One goal of the executive order was to simplify agency rules. Yet, so many regulations are so complex and unwieldy, business owners are forced to pay for consultants and lawyers to understand them and comply. That's money that could be used to hire new employees.

One DNREC regulation, for example, titled "Control of Volatile Organic Compound Emissions," - which impacts just about every business in the state - consists of 50 sections and more than 1,200 pages.

So, easier? I don't think so.

Our current and future business owners need more than mere window dressing.

They need legislation that gives state lawmakers - your elected officials - input in the adoption of new rules and regulations by state agencies. And here's the thing - the bill already exists.

Last year I introduced a measure that would require state agencies to spell out, exactly, the benefits and costs associated with a new regulation. These common-sense requirements, already in place at the federal level, would result in more transparency, more oversight, and fewer regulations.

Despite bi-partisan support, this bill has been stuck in a Senate Committee for more than a year.

This lack of legislative oversight puts Delaware businesses at a significant competitive disadvantage compared to at least two other states in our region - Pennsylvania and New York. Those two states, while

not perfect, have regulatory reviews that involve both legislators and independent commissions. As a result, in Pennsylvania it takes a minimum of three years for a new regulation to be implemented. In Delaware it takes about three months.

In states across the country, small-business growth is fueling economic recovery. That can't happen in Delaware until we completely re-evaluate our burdensome regulatory structure. This starts with releasing Senate Bill 74 out of committee and giving it the fair consideration it deserves.

My hope is that more entrepreneurs, like me many years ago, can open a business here in Delaware and dream big. It's time for a new generation of small business owners to lead us out of this state's economic doldrums.

Let's cut the red tape, and then let's cut ribbons - in front of new businesses all over Delaware.