



The Honorable Mary Landrieu, Chair
Committee on Small Business & Entrepreneurship
United States Senate
Washington, DC 20510

The Honorable Olympia Snowe, Ranking Member
Committee on Small Business & Entrepreneurship
United States Senate
Washington, DC 20510

Re: Submission for Record. Hearing on Assessing the Regulatory and Administrative Burdens on America's Small Businesses; November 18, 2010

Madam Chair and Senator Snowe:

On behalf of the 7,000 companies that belong to the National Association of the Remodeling Industry (NARI), I am writing to thank the Senate Committee on Small Business & Entrepreneurship for having this hearing on the regulatory burdens faced by small business.

NARI is a non-profit trade association based in Des Plaines, Illinois. We have 58 Chapters in major metro areas nationwide and our membership is comprised of remodeling contractors, local suppliers, and national suppliers. 83 percent of NARI members have fewer than 20 employees. NARI's core purpose is to advance and promote the remodeling industry's professionalism, product and vital public purpose.

Like many associations that represent small businesses, NARI is alarmed by the high regulatory costs of tax compliance and the cost of health care. However, NARI's most pressing regulatory concern is with the U.S. Environmental Protection Agency (EPA) and its implementation of Lead Renovation Repair and Painting rules (LRRP).

Four years ago, the EPA proposed new regulations for reducing lead exposure to children in homes. NARI submitted comments on EPA's proposal and offered constructive suggestions to EPA in how to reduce lead exposure that could result from remodeling projects. Most of NARI's suggestions were focused on the training and certification requirements for remodelers. NARI urged EPA to consider a "best practices" approach based on the association's experience. NARI provides rigorous hands-on training through its chapter structure and NARI awards certifications such as Certified Remodeler, Certified Lead Carpenter, and Certified Kitchen and Bath Remodeler. Those programs are a NARI hallmark and exemplify NARI's approach to the remodeling profession.



Unfortunately, EPA chose a more prescriptive regulatory approach. In its comments, NARI used “Exactimate” (a bidding system widely used in the insurance industry) to calculate that lead-safe work practices would raise the price of a small job from \$6,063 to \$7,080, which represented an increase of 15 percent. The comments filed by NARI further estimated that the additional proper insurance coverage would increase contractor costs by an overall average of 28 percent. NARI advised EPA that hiking the cost of remodeling work by such a high amount would result in homeowners using unlicensed or unethical contractors or do projects themselves, resulting in a greater risk of lead exposure. Those concerns, expressed to EPA more than 4 years ago, continue today.

When EPA finalized the rules in August of 2008, NARI made it a top priority to inform its members of their responsibilities and to direct members to trainers so they could receive their certifications. NARI members received information on EPA’s LRRP rules via numerous articles in NARI’s main membership publication, *The Remodelers Journal*; NARI’s e-newsletter, *The Spec Sheet*; numerous references in NARI’s e-notice, *Tuffin’ It Out*; Issue Briefing Papers published and distributed to chapter delegates; as well as a page devoted to LRRP information on NARI’s Web site, www.nari.org/leadsafety.

Currently, EPA estimates that more than 500,000 individuals have been trained on how to comply with LRRP. Despite EPA’s training success, we are witnessing two disturbing trends that threaten our livelihood and potentially endanger homeowners and children.

First, the cost increase for remodeling projects done in full compliance with EPA regulations is causing homeowners to hire unlicensed contractors or to do construction work themselves. This situation endangers children who may be exposed to lead caused by unsafe work practices.

Second, EPA is expected to finalize the “clearance” portion of the LRRP rules this July. NARI is concerned that EPA will lack sensitivity towards the impact pricing has on hiring licensed and certified contractors. The rules, if finalized with overly burdensome requirements, may drive up costs and exacerbate the problems we are currently witnessing – driving more homeowners towards unlicensed or unethical contractors.



NARI would like to work with the Committee on Small Business & Entrepreneurship to reiterate to EPA the impact LRRP is having on remodelers and to facilitate a better dialogue on how EPA can implement the LRRP rules in a small business-friendly way. With the Committee's help, remodelers and EPA officials can work towards solutions that will better inform homeowners of lead hazards, penalize unlicensed or unethical contractors, and reduce the exposure of children to lead from construction activities.

Sincerely,

Mary Busey Harris, CAE
NARI Executive Director