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Regulatory Agencies Burden Economy

By: Alfredo Ortiz

The decreasing unemployment rate and climbing gross domestic product has some overly optimistic politicians and pundits crowing that the Great Recession is behind us.

However, their declaration of victory rings hollow for many in the middle class who have yet to see or feel tangible benefits of the supposed economic recovery.

In fact, a mere 2 percent of counties in the United States have fully recovered from the recession in terms of jobs, unemployment, economic output and home prices, according to the National Association of Counties.

It's little wonder why.

An alphabet soup of federal agencies is restricting job creation and slowing economic recovery for the rest of the United States.

The Dodd-Frank bill created the Consumer Financial Protection Bureau, whose mission is to make markets for consumer financial products and services work for Americans," but lending restrictions it imposed last year are dragging out the housing market recovery.

The real estate market has an outsized impact on the economy and job creation.

Housing directly creates job growth in construction and indirectly creates jobs by stimulating increased demand for materials and things like furniture that new homeowners typically buy.

According to a new survey from the Independent Community Bankers of America, a group that represents 5,000 small- and mid-size banks across the country, 73 percent of community bank respondents said "regulatory bur-

dens are preventing them from making more residential mortgage loans."

Easing the CFPB's burden on community banks would allow new lending to stimulate the housing market and create middle class jobs in home construction and other ancillary trades.

Another federal agency, the National Labor Relations Board, threatens to dim one of the few bright spots for new jobs — the food service and restaurant industries.

More than 770,000 small businesses, many of them restaurants, have been created in the country under the franchise business model.

These small businesses are in almost every community and support 18 million direct and indirect American jobs that add more than \$2 trillion to our economy.

But a recent and unprecedented NLRB decision to deem franchisors and franchisees "joint employers" threatens to turn the highly successful franchise system on its head by making franchisors liable for thousands of daily decisions made by independent small businesses and opening the door for a myriad of lawsuits.

If the NLRB's decision stands, parent companies may become leery of taking on new owners, increase fees on the small business franchise to cover potential lawsuits or want more control over what are now largely independent business owners.

All of this will have a chilling effect on the creation of new franchises and new jobs they create.

And when it comes to issuing job-crushing regulations, no federal

agency is more efficient than the Environmental Protection Agency.

The EPA has proposed regulations on emissions from power plants that the U.S. Chamber's Energy Institute estimates would cost \$480 billion and eliminate 3.6 million jobs by 2030.

The rules would also cost American families an average of \$200 per year in higher electrical rates — a loss that will hit the poor and elderly the hardest.

Worse yet, the EPA's recent proposal to slash the ozone standard by up to 20 percent could be the costliest regulation in U.S. history.

The final cost of the proposed rule, which is based on dubious claims of public health benefits, could reduce GDP by up to \$270 billion per year and result in the loss of up to 2.9 million job equivalents per year through 2040.

While millions of Americans are still looking for work, these three agencies are slowing job creation and preventing many in the middle class from reaping the benefits of an improving economy.

Our elected officials in Washington must stand up for the middle class and rein in the overreaching, activist federal agencies that are breaking the backs of business owners and killing job creation.

They should start with the CFPB, NLRB and EPA.

Alfredo Ortiz is the CEO of Job Creators Network, which helps the public and policymakers understand how to create jobs, in part through its Employer to Employee education program.