



**Opening Statement of Chairman Sam Graves
Committee on Small Business
Hearing: Will EPA's 'Waters of the United States' Rule Drown Small Businesses?
May 29, 2014**

Good Afternoon. I call this hearing to order.

In my four years as Chairman, the Committee on Small Business has held more than 20 hearings examining the effects of regulations on small businesses and the economy. However, few regulations examined at these previous hearings are as expansive and as potentially damaging to small businesses as the recently proposed “Waters of the United States” rule.

This rule, as currently drafted, could extend the regulatory reach of the Clean Water Act to thousands of small streams, ditches, ponds, and other isolated waters, some of which may have little or no connection to traditionally navigable waters.

The agencies claim that the proposed rule will increase clarity as to which waters are subject to Clean Water Act jurisdiction. However, this proposed rule creates more confusion not less. Terms like “neighboring,” “floodplain,” “riparian area,” “tributary” and “significant nexus” are vaguely defined and fail to clarify where Clean Water Act jurisdiction will end.

Under this proposed rule, farmers, ranchers, home builders and a variety of other small businesses could find their lands and livelihoods subject to Clean Water Act jurisdiction for the first time. The burdens of this regulatory regime extend beyond the need to obtain federal permits. It will also require costly and time consuming mitigation activities and project modifications.

While this proposed rule clearly has significant consequences for small businesses, the EPA and the Army Corps of Engineers failed to assess those impacts. Had the agencies conducted outreach to and gotten input from small businesses, as required by the Regulatory Flexibility Act, perhaps they would have identified and fixed some of the problems with the rule before it was proposed.

This rule threatens to drown small businesses in unnecessary regulatory requirements. For that reason, I hope the EPA and Corps will withdraw the rule and conduct the required small business impact analysis and outreach before proceeding.

I want to thank our witnesses for appearing before our Committee today. We look forward to your testimony.

With that, I yield to the Ranking Member for her opening statement.