

Sen. Lamar Alexander

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Prepared Remarks

During the last three years, an avalanche of regulations from the Obama administration has thrown a big wet blanket over the American economy.

Let me outline just three examples of how those actions have made it harder and more expensive to create jobs in Tennessee:

**1. The NLRB's attack on right to work states:** When Nissan first considered locating in the United States it wanted to be in the center of the American market because that reduces the cost of transporting heavy cars and trucks to its customers. Several states, including Tennessee, are in the center of the market, but every state north of Tennessee did not have a right-to-work law. So our right-to-work law was a crucial factor in attracting first Nissan, then Saturn and then hundreds of suppliers. Now auto jobs are one third of all of Tennessee's manufacturing jobs.

The National Labor Relations Board's attempt to stop Boeing from locating a new manufacturing plant in South Carolina because South Carolina has a right to work law was therefore not just a South Carolina issue. It made every company thinking about moving from a non right-to-work state to a right-to-work state stop and think about whether such a move would cause delay and expensive litigation. Boeing was able to fight and win. But the NLRB actions made it harder and more expensive to create jobs in Tennessee.

**2. The health care law's taxes and mandates on business:** Not long ago I met with chief executives of the nation's restaurant companies. They are the largest employer, outside of the US Government, of low income and young people, those who most need jobs in this economy. The chief executive of Ruby Tuesday's, headquartered in Maryville, told me that the cost of the new employer mandate in the health care law would be greater than his company's entire profit for one year. They will have to increase the hours for their full-time employees and reduce their overall workforce in order to reduce the number of employees they have to cover. Another company told me that, because of the law, its goal was to operate each of its stores with 70 employees instead of 90.

**3. The Medicaid mandates on states that are making it harder for students to go to college:** More and more, a college degree is essential to getting and keeping or even creating a job. The President's goal, Governor Haslam's goal, is to increase the number of Tennesseans who graduate from college. Yet the new Medicaid mandates of the health care law have made it more difficult for Tennessee and other states to fund higher education. Last year the state's share of its costs for Medicaid rose 15%. That was the principal reason why Tennessee's support for college decreased 14%, excluding the money from the Hope scholarship. As a result, tuition rose at Middle Tennessee State University and other colleges in Tennessee and across the country, making it more difficult for students to afford college.

Perhaps the worst offender of runaway regulations has been the Environmental Protection Agency. Between the Boiler MACT rule, the greenhouse gases rule, their attempt to ignore the will of Congress and change clean water regulations that could result in regulating puddles of water, and their crackdown on the farming community by trying to regulate dust from farming operations—it has become a happy hunting ground of ill-considered regulations that harm job creators.

But as the late William F. Buckley once said, even a stopped clock is right twice a day. Two of the EPA clean air rules have been good for Tennessee and I have supported them. They will help stop dirty air from blowing into Tennessee from other states, a problem we have because we are surrounded by more states than any other state. The result has been that three of our cities are among the top five worst cities in the U.S. for asthma, and the Great Smoky Mountains National Park is one of the nation's most polluted. It is obvious why such dirty air is bad for our health.

But dirty air also makes it more difficult to create jobs.

One reason is the 9 million people who come every year to see the Great Smoky Mountains, not the Great *Smoggy* Mountains, and chambers of commerce in East Tennessee want those tourism dollars and jobs to keep coming.

A second reason is that dirty air makes it harder to recruit the next Nissan plant or the next Volkswagen plant or auto supplier. Here's why: The first thing Nissan did when it came to Tennessee in 1980 was to go down to the state air quality board and apply for an air quality permit for the emissions from its paint plant. Under the law, if a community's air is too dirty, a new industry that adds to the pollution cannot locate there. Fortunately, at that time, Nashville's air was clean enough so that Nissan could receive its permit. If it had not, it would have gone to Cartersville, Georgia, and we would not be able to say that one third of Tennessee's manufacturing jobs are auto jobs.

Every one of Tennessee's major metropolitan areas right now is struggling to stay within the legal clean air standards. If they drop below those standards, the next Nissan or Volkswagen or auto supplier will go somewhere else. And our best sites for new industry and new jobs will remain vacant lots. TVA is doing its job to help by putting pollution control equipment on all its coal plants. The rules I support will require utilities in other states to do the same. So, the lesson I have learned over the years is that clean air means better jobs, as well as better health.

Our goal as elected officials should be to make it easier and cheaper to create private sector jobs in America. That is the best way to end the longest recession in American history.

Thank you.