

# The Administration's Attack on the Environment and the Impact on Small Firms

A Report prepared by the Democrats of the Committee on Small Business Nydia M. Velázquez, Ranking Member April 2018

#### **INTRODUCTION**

Environmental policy is a critical aspect to the nation's health and economic success. The current administration represents the worst attack on the pro-environmental activism that has begun to take hold in America. Climate change denials and favoritism for oil and natural gas companies discards the needs of the American people and that of its small business owners.

There is an overwhelming scientific consensus that climate change is occurring and that it is being caused by human activity. Over 97% of the world's climate scientists support this theory, as well as 17 of the most prestigious American scientific societies. The evidence is clear and so are the effects, such as rising sea levels and melting ice sheets. The impact to the globe is not just one of natural disasters, however, it is one of significant economic concern. Studies have consistently shown widespread damage to the nation's economy – from decreases in labor supply and agricultural yields to increased energy consumption and costs – with the costs growing over time. Cities and countries around the world recognize the danger presented by climate change and accordingly made voluntary commitments to take action to combat it.

Despite the evidence and combined global effort, the Trump administration continues to both deny climate change and contribute to its occurrence, therefore hurting the human population and the planet. The small business community is no exception to this harm. Small businesses will be devastated physically and financially by an increase in natural disasters like hurricanes, wildfires, and droughts. They will also likely experience labor supply challenges, higher energy costs, and industry specific challenges. The inability to consider the consequences of climate change and disregard of methods to address and capitalize on measures to prevent it, is a lost opportunity for America's small business community. Small firms should be thriving as many countries transition to clean-energy economies. As homes and buildings are outfitted to be energy efficient and produce green energy, there is a huge market in the production and installation of these products. The administration's climate change denial policies hamper our country's competitiveness and disadvantage small businesses.

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<sup>&</sup>lt;sup>1</sup> NAT'L AERONAUTICS & SPACE ADMIN., NASA GLOBAL CLIMATE CHANGE, SCIENTIFIC CONSENSUS: EARTH'S CLIMATE IS WARMING, last updated Apr. 17, 2018.

<sup>&</sup>lt;sup>2</sup> NAT'L AERONAUTICS & SPACE ADMIN, NASA GLOBAL CLIMATE CHANGE, CLIMATE CHANGE: How Do WE KNOW? (last updated Apr. 17, 2018).

<sup>&</sup>lt;sup>3</sup> GOV'T ACCOUNTABILITY OFFICE, CLIMATE CHANGE: INFORMATION ON POTENTIAL ECONOMIC EFFECTS COULD HELP GUIDE FEDERAL EFFORTS TO REDUCE FISCAL EXPOSURE (GAO-17-720) (Sep. 2017).

#### ADMINISTRATION ATTACKS ON THE ENVIRONMENT

The Trump administration has been the single greatest threat to the environment in recent years. In actions ranging from executive orders and Presidential appointments to budget proposals and attacks on science, the administration has wreaked havoc on environmental policy. The anti-environmental agenda puts small American businesses at risk of financial losses now and into the future.

#### Climate Change Denial

President Trump and other members of his administration have a long history of denying climate change and using their platform to spread the idea that climate change is not real. In 2014, Mr. Trump tweeted, "Is our country still spending money on the GLOBAL WARMING HOAX?" and during a campaign interview in 2015, he stated, "I'm not a believer in global warming. And, I'm not a believer in man-made global warming." And, just last December, the President tweeted, "In the East, it could be the COLDEST New Year's Eve on record. Perhaps we could use a little bit of that good old Global Warming that our Country, but not other countries, was going to pay TRILLIONS OF DOLLARS to protect against." These statements increase public doubt about climate change and decrease the chances that it is properly addressed in time.

Other top administration members and advisors have also expressed skepticism in climate change and the role of humans in causing it.<sup>7</sup> Scott Pruitt, the Administrator of the Environmental Protection Agency, does not believe global warming is linked with carbon dioxide pollution and has stated that there is no scientific consensus on climate change.<sup>8</sup> In fact, he suggested that climate change could be beneficial to humans as "humans have most flourished during times of warming trends." In addition, Secretary of State nominee Mike Pompeo has questioned the existence of climate change and Attorney General Jeff Sessions has expressed uncertainty that carbon dioxide has any harmful impacts.<sup>10</sup> There is a widespread lack of belief in climate change in the Trump Administration, which contradicts widely accepted conclusions by scientists and reports finding evidence of climate change driven by human actions.<sup>11</sup>

<sup>&</sup>lt;sup>4</sup> Lauren Carroll, *At New York Debate*, *Donald Trump Denies Saying Climate Change is a Chinese Hoax*, POLITIFACT, Sep. 26, 2018.

<sup>&</sup>lt;sup>5</sup> Hugh Hewitt, *Donald Trump Returns*, THE HUGH HEWITT SHOW, Sep. 21, 2015.

<sup>&</sup>lt;sup>6</sup> Michael Sheetz, Climate Scientists Blast Trump's Global Warming Tweet, CNBC, Dec. 29, 2017; see also Oliver Milman, EPA Head Scott Pruitt Says Global Warming May Help 'Humans Flourish,' GUARDIAN, Feb. 7, 2018.

<sup>&</sup>lt;sup>7</sup> Emily Holden, Climate Change Skeptics Run the Trump Administration, POLITICO, Mar. 7, 2018.

<sup>&</sup>lt;sup>8</sup> Doina Chiacu and Valerie Volcovici, *EPA Chief Pruitt Refuses to Link CO2 and Global Warming*, SCIENTIFIC AMERICAN (last visited Apr. 18, 2018); *see also* Andrew Kaczynski, *In Interviews, Trump's EPA Pick Questioned Climate Change*, *Said Obama EPA Rules Would Be Undone*, CNN, Dec. 13, 2016.

<sup>&</sup>lt;sup>9</sup> Milman, *supra* note 6.

<sup>&</sup>lt;sup>10</sup> Holden, *supra* note 7.

<sup>&</sup>lt;sup>11</sup> U.S. GLOBAL CHANGE RESEARCH PROGRAM, 2017: CLIMATE SCIENCE SPECIAL REPORT, FOURTH NATIONAL CLIMATE ASSESSMENT (NCA4), Vol. 1 (2017).

#### Paris Accord

The Paris Climate Accord is an agreement to strengthen the global response to climate change by creating an international network dedicated to lowering carbon emissions. On June 1, 2017 President Trump announced that the U.S. would pull out of the historic 2015 agreement. This leaves the U.S., the world's second largest polluter, as the only country in the world not supporting the framework agreement to control greenhouse gas emissions. The withdrawal is not just harmful because of the emissions that the U.S. will continue to produce, but also because of the abdication of leadership on this global problem. As the world's most powerful country, America was a lynchpin for the Paris Agreement and an important party for holding other countries accountable for their commitment. It is also a step away from renewable and clean technologies, leaving the U.S. behind in creating the businesses and infrastructure of the future.

After the announcement, a group of 1,500 businesses and investors, including small businesses along with a group of cities, states, and colleges created the group "We Are Still In," declaring their commitment to continued climate action to meet the Paris agreement. Even companies with no direct stake in clean energy realized the monumental importance of acting on climate change and are taking measures by themselves towards a cleaner, more sustainable future. The decision to leave the Paris climate agreement hinders American small business entrepreneurs that will look to lead the world in clean energy. The withdrawal from the agreement has a two-fold impact on small businesses in the renewable energy industry. First, it reduces the ability of small energy firms in participating in a domestic market reducing carbon emissions like wind, solar, and other energy efficiency technologies in order to comply with the agreement. Second, it poses a risk of participating countries blocking or imposing tariffs on American energy exports either because they do not meet rigorous standards or are tainted by the President's actions. Innovative and industrious businesses creating millions of jobs will face greater competition in leading technological advancement as it pertains to renewable energy.

#### Regulatory Rollbacks

The Trump administration has attempted to roll back regulations as quickly as possible and has dismantled key provisions that the Obama Administration put in place to mitigate climate change and move the U.S. towards a clean energy economy. The Environmental Protection Agency (EPA) has tried to reverse 63 environmental rules<sup>14</sup> and as of January 31, 2018, 33 of these rules have

<sup>&</sup>lt;sup>12</sup> Jeremy Schultz, *Who Are the World's Biggest Polluters?*, REUTERS, Jun. 2, 2017.; *see also* Mythili Sampathkumar and Harry Cockburn, *Syria Signs Paris Agreement - Leaving US Only Country in the World to Refuse Climate Change Deal*, INDEPENDENT, Nov. 7, 2017.

<sup>&</sup>lt;sup>13</sup> Bianca Nogrady, Can Business Save the World from Climate Change?, GREENBIZ, Sep. 5, 2017.

<sup>&</sup>lt;sup>14</sup> Dino Grandoni, *Trump Touts 'Eliminated' Regulations. Environmental Rules were Hit the Hardest*, WASH. POST, Jan. 30. 2018.

been overturned.<sup>15</sup> Even more egregious is the process by which they are attempting these regulatory cuts – by ignoring the formal rulemaking process, which has led to several legal challenges.

While the most aggressive agency is the EPA, the Departments of Energy and Interior also engaged in significant regulatory rollbacks related to energy efficiency, natural gas and oil drilling. Among the most impactful eliminations was the repeal of the Clean Power Plan in October 2017, a broad regulatory framework put in place by President Obama requiring states to reduce emissions from power plants, which was expected to cut power sector emissions 32 percent by 2030. The EPA is also expected to roll-back the 2011 fuel-efficiency standards that required an average fleet efficiency of approximately 50 miles per gallon by 2025.

The Energy Department is halting many of the rules surrounding the energy efficiency of household appliances, which not only upsets the industry for business certainty and supply chain reasons, but also the consumers who will lose cost savings. Other rules being considered for removal are the National Environmental Policy Act (NEPA) and the national laboratory policies. The Department of the Interior is moving forward with plans to accommodate oil and gas companies. For example, the Bureau of Land Management (BLM) issued a proposal to now allow oil and gas companies to emit greenhouse gases without any mitigation on tribal or federal lands. These are just a few examples of the regulatory assault on environmental policy, which results in an unhealthy population, business uncertainty, and higher costs to all.

Many small firms have already committed to comply with these regulations and they have created long-term business plans around them. Furthermore, environmental policies lead to restoration of polluted areas and have added greatly to the economy. Even the Office of Management and Budget (OMB) calculated that EPA and DoE rules have yielded benefits in excess of their costs. In their own report, OMB concluded that EPA rules "outperform the rules of all other agencies combined in terms of producing net monetized benefits" by providing as much as \$706 billion in benefits compared to just \$65 billion in costs. <sup>19</sup> The savings created by DoE regulations between 2006 and 2016 are also significant by producing net benefits between \$12 billion to \$31 billion. <sup>20</sup>

<sup>&</sup>lt;sup>15</sup> Nadja Popovich, Livia Albeck-Ripka, and Kendra Pierre-Louis, 67 Environmental Rules on the Way Out Under Trump, N.Y. TIMES, last updated Jan. 31, 2018.

<sup>&</sup>lt;sup>16</sup> Lisa Friedman and Brad Plumer, *E.P.A. Announces Repeal of Major Obama-Era Carbon Emissions Rule*, N.Y. TIMES, Oct. 9, 2017.

<sup>&</sup>lt;sup>17</sup> Timothy Cama, EPA Expected to Declare Obama Car Dfficiency Rules Too Strict, THE HILL, Mar. 26, 2018.

<sup>&</sup>lt;sup>18</sup> The Effects of the President's Regulatory Reform and Rollback Efforts on Small Businesses Before the H. Comm. on Small Business, 115th Cong. (2018) (statement of Lisa Heinzerling, Justice William J. Brennan, Jr., Professor of Law, Georgetown Law).

<sup>&</sup>lt;sup>19</sup> *Id*.

 $<sup>^{20}</sup>$  *Id*.

Regulations like those the administration is attacking are promoting tourism in the nation's parks which supports local small businesses. Greater innovation and manufacturing from small firms within the energy industry, including the supply chain, is also threatened by these rollbacks.

# **Budget Cuts**

The administration has waged a full-scale attack on the ability of the federal government, particularly the EPA to perform its core tasks. Since taking office, White House budget proposals cutting the EPA have approached or exceeded 30 percent, which includes drastic workforce reductions. In explaining the move, Mick Mulvaney, Director of the Office of Management and Budget stated, "You can't drain the swamp and leave all the people in it. So I guess the first place that comes to mind will be the Environmental Protection Agency." The budget also essentially eliminates the climate change programs, like the Global Climate Change Initiative the Administrator shutdown the climate adaptation program that helps states and localities adapt to the effects of climate change such as rising ocean levels. <sup>23</sup>

EPA is not the sole target. Just like with the regulatory blows to the nation's environmental policy, all federal agencies involved with ensuring a clean environment and healthy clean energy sector face reductions. While the DoE was set to be cut, its funding levels will actually remain steady but some critical research programs like the Advanced Research Projects Agency-Energy (ARPA-E) have been eliminated in the budget proposal. The Office of Energy Efficiency and Renewable Energy faces deep cuts in its budget – over 60 percent from the 2017 budget.<sup>24</sup> The cuts proposed by the administration continue to focus on environmental efforts within the federal government that largely impact small businesses. Programs meant to encourage greater innovation in the renewable energy market mean a better path for globally competitive businesses. Such Draconian views fail to reflect the needs of American businesses and the values of their consumers.

#### Attacks on Science

Along with any administration comes change to websites but the current one has taken its war on the environment to new heights. Many pages on the EPA website related to climate change have been taken down or obscured and language on other pages has been adjusted to take out the words "climate change."<sup>25</sup> Additionally, the central climate change page is gone and has been replaced

<sup>&</sup>lt;sup>21</sup> U.S. ENVTL. PROT. AGENCY, FY 2018 BUDGET IN BRIEF (May 2017); U.S. ENVTL. PROT. AGENCY, FY 2019 BUDGET IN BRIEF (Feb. 2018).

<sup>&</sup>lt;sup>22</sup> Brady Dennis, *Trump Budget Seeks 23 Percent Cut at EPA, Eliminating Dozens of Programs*, WASH. POST, Feb. 12, 2018.

<sup>&</sup>lt;sup>23</sup> Timothy Cama, EPA Shutting Down Climate Adaptation Program, THE HILL, Apr. 7, 2017.

<sup>&</sup>lt;sup>24</sup> FY 2019 Budget in Brief, *supra* note 21.

<sup>&</sup>lt;sup>25</sup> Laignee Barron, *Here's What the EPA's Website Looks Like After a Year of Climate Change Censorship*, TIME, Mar. 1, 2018.

with a message that "This page is being updated." In March 2018, the EPA sent its employees 8 approved talking points on climate change which promoted messages of uncertainty about the confidence of the science. One such talking point stated that "[h]uman activity impacts our changing climate in some manner. The ability to measure with precision the degree and extent of that impact, and what to do about it, are subject to continuing debate and dialogue." This obscuring statement provides cover for the Trump administration to advance policies that worsen climate change.

Other agencies, such as the Federal Emergency Management Agency (FEMA), also refuse to acknowledge the presence and threat of climate change. Under Trump, FEMA has taken out references to climate change from its strategic planning documents.<sup>28</sup> Other agencies involved in wiping out "climate change" references include: the Department of Health and Human Services, which removed information related to the effects linked to general health; the Department of the Interior where a scientist resigned a filed a whistleblower complaint based on reassignment of climate change staff; and the Department of Agriculture where the transition team leader targeted staff working on climate change.<sup>29</sup> Ignoring the threat of climate change hampers the ability of the federal government to assess the threat and prepare to keep the economy thriving and America competitive with countries taking climate change seriously.

### THREAT TO SMALL BUSINESSES

When many people think of the environment and climate change, small businesses do not immediately come to mind. However, as the global climate changes so does energy consumption and the business marketplace. Addressing climate change and other environmental policies is critical to the success of small firms as users of energy and as those who partake in new technology as producers, manufacturers, and sellers to combat this threat. The current approach taken by the Trump administration will lead to massive harm to the nation's small business community.

#### **Increased Disasters**

One of the biggest impacts that climate change will have on small businesses is an increase in natural disasters. Climate change is already making disasters more commonplace and intense. Experts estimate that human-caused climate change made the record rainfall over Houston 15

<sup>&</sup>lt;sup>26</sup> *Id*.

<sup>&</sup>lt;sup>27</sup> Alexander C. Kaufman, *Leaked Memo: EPA Shows Workers How To Downplay Climate Change*, HUFFINGTON POST, Mar. 28, 2018.

<sup>&</sup>lt;sup>28</sup> Richard Gonzales, FEMA Drops 'Climate Change' From Its Strategic Plan, NPR, Mar. 15, 2018.

<sup>&</sup>lt;sup>29</sup> Umair Irfan, 'Climate Change' and 'Global Warming' are Disappearing from Government Websites, Vox, Jan. 11, 2018; Rebecca Leber and Megan Jula, In 2017, Climate Change Vanished from a Ridiculous Number of Government Websites, GRIST, Dec. 29, 2017.

percent greater than it would have been otherwise.<sup>30</sup> Scientists also suggest that even with current pledges made under the Paris Climate agreement, the world is still on track to warm by about 5.4 degrees Fahrenheit. If this occurs, the risk of extreme events increases three-fold in up to 60 percent of locations across North America, Europe, East Asia, and parts of South America.<sup>31</sup>

They are more susceptible to permanent closures after such disasters because they generally have fewer resources to recover and fail to create a comprehensive disaster plan. Only 43 percent of small firms have a plan and only 10 percent actively maintain them.<sup>32</sup>It has also been found that the economic harm for each day closed after the disaster are \$3,000 per day. Increasing that cost is the fact that the majority of assets held are concentrated in one general location.<sup>33</sup>Natural disasters disproportionately harm small businesses because, according to FEMA, 40 percent of businesses never reopen after a disaster.<sup>34</sup> Hurricanes Sandy, Harvey, Irma, and Maria themselves are good examples of how storms impact small businesses. Within a year, 30% of businesses hit by Hurricane Sandy had permanently closed<sup>35</sup> and more than five months after Hurricane Maria hit Puerto Rico, 10,000 businesses, almost 20% of the island's total, remained closed and the overall economy was struggling to recover.<sup>36</sup>

# Environmental Changes Create Small Business Challenges

The impact of climate change will be magnified by rising sea levels which expose ocean-front areas to more damage from waves, currents, and rainfall. But, even the heartland of America faces its own threats of drought and extreme weather and temperature changes. Every industry from tourism, farming, ranching, fishing, trucking, and all trades in between will be touched by climate change.

Tourism is generally a large part of the coastal economy and this industry is threatened by sea levels that are projected by the National Oceanic and Atmospheric Administration (NOAA) to rise 6 feet by 2100.<sup>37</sup> Not only will tourism be affected but the fishing industry could experience lower levels of fish and shellfish in waters that are becoming less than ideal for ocean life due to changes in ocean temperature, salinity, oxygen, and sea levels. In fact, the University of British Columbia

<sup>&</sup>lt;sup>30</sup> GEERT JAN VAN OLDENBORGH ET AL., ATTRIBUTION OF EXTREME RAINFALL FROM HURRICANE HARVEY, AUGUST 2017, ENVTL. RESEARCH LETTERS (vol. 12, no. 12) (2017).

<sup>&</sup>lt;sup>31</sup> Chelsea Harvey, *Extreme Weather Will Occur More Frequently Worldwide*, SCIENTIFIC AMERICAN, Feb. 15, 2018.

 $<sup>^{32}</sup>$  Climate Change Preparedness and the Small Business Sector, Small Business Majority and American Sustainable Business Council, Jul. 2013.

<sup>&</sup>lt;sup>33</sup> Id

<sup>&</sup>lt;sup>34</sup> Ryan Scott, Will Your Business Recover from Disaster?, FORBES, Sep. 4, 2014.

<sup>&</sup>lt;sup>35</sup> Ted Devine, Small Business Lessons from Hurricane Sandy, HUFFINGTON POST, Nov. 1, 2013.

<sup>&</sup>lt;sup>36</sup> Matthew Goldstein, Puerto Rico's Positive Business Slogans Can't Keep the Lights On, N.Y. TIMES, Mar. 5, 2018

<sup>&</sup>lt;sup>37</sup> NAT'L OCEANIC & ATMOSPHERIC ADMIN., PATTERNS AND PROJECTIONS OF HIGH TIDE FLOODING ALONG THE U.S. COASTLINE USING A COMMON IMPACT THRESHOLD, Feb. 2018.

reported that the global fishing industry could see reductions of \$10 billion per year by 2050.<sup>38</sup> Such levels have an immediate impact on jobs, where this industry accounts for 10-12 percent of the world's population and provides 20 percent of protein needs to nearly 3 billion people globally.<sup>39</sup>

In the Midwest states, scientists predict more extreme weather resulting in higher temperatures, more dry periods, and longer intense rains. Factors such as these change migration, harvesting periods, and even seasonal timeframes. With 40 percent of America accounting for farm land, the existence of over 2 million farms depends on adjusting to future climate changes. <sup>40</sup> No matter their opinion on the science, the agricultural industry relies on technology, innovation, and research to develop soil and water conservation techniques and resilient crops. Making the agricultural industry adapt not only increases their razor slim profit margins but also keeps the price of food down, thereby allowing restaurants and grocers to also operate efficiently.

#### Rising Costs

Even if they are not directly affected by a natural disaster, small businesses around the country will be forced to bear higher costs due to climate change. For instance, new major disasters will lead to increased insurance premiums for many firms as insurance companies raise rates to account for the increasing damage and insurance claims. Additionally, the federal government will have to spend much more responding to disasters. Congress has spent an unprecedented \$120 billion in disaster aid for hurricanes and wildfires since September 2017 for a record setting year of disasters that amounted to \$306 billion in cumulative damage. Without proper action by the federal government, higher taxes and spending cuts are inevitable as deficits balloon, leading to less investment in small business programs, loans, and small business procurement.

The nation's job creators must not simply concern themselves over disaster spending, but also on higher energy costs which result from denying climate science. Small businesses generally use less energy than their larger counterparts but when considering the totality of their energy consumption, they pay approximately \$60 billion in annual energy costs. The Trump administration's promotion of fossil fuels and attack on the clean energy sector puts them at risk of spending even more in higher energy costs. The promotion of coal and gas discourages clean energy technologies

<sup>&</sup>lt;sup>38</sup> VICKY W. YL. LAM ET AL., PROJECTED CHANGE IN GLOBAL FISHERIES REVENUES UNDER CLIMATE CHANGE, SCIENTIFIC REPORTS, Sep. 7, 2016.

<sup>&</sup>lt;sup>39</sup> *Id*.

 $<sup>^{40}</sup>$  2012 Census of Agriculture Highlights, U.S. Dep't of Agriculture, National Agric. Statistics Serv., Sep. 2014

<sup>&</sup>lt;sup>41</sup> William L. Painter, 2017 DISASTER SUPPLEMENTAL APPROPRIATIONS: OVERVIEW, CONG. RESEARCH SERV., Mar. 20, 2018.

<sup>&</sup>lt;sup>42</sup> Daniel Hill, Small Business: The 'Neglected Middle' of Climate Change, HUFFINGTON POST, Dec. 8, 2014.

like wind, which has become the cheapest energy source in many regions of the country.<sup>43</sup> It also increases the reliance of small businesses on oil and natural gas prices which are highly variable.

In order to deal with these price increases, small businesses are often faced with two choices. They can either absorb the costs or pass them on to their customers. Absorbing the higher prices creates financial challenges resulting in less capital to expand their business or hire new employees. Passing the cost increases on to consumers can reduce demand for a firm's goods and services. Neither are preferable alternatives and this is why the United States must take affirmative steps to take environmental policy, especially climate change seriously. Persistent problems with America's energy resources and an uncertain future depress the economic outlook for many small businesses.

#### THE ROLE OF SMALL FIRMS

Small companies are resilient and highly adaptive particularly as it relates to energy efficiency. Because they lead the way in creating, manufacturing, and supplying energy efficient technologies and products, they also become early adopters of innovative business practices. Doing so benefits the company, employees, local community, and economy as a whole. The federal government should be capitalizing on the strength of America's entrepreneurs and small business community instead of attacking the very source of jobs and competitiveness.

# Renewable Energy and Energy Efficiency Leaders

All over the country, entrepreneurs and small innovators are researching, manufacturing, producing, and supplying energy efficient products and renewable energy to consumers. They understand and are helping grow a thriving new sector. Despite the Administration's actions, small businesses are investing in clean energy and efficiency to address climate change wholeheartedly – from reducing the carbon footprint and producing and promoting renewable energy.

As David Levine of the American Sustainable Business Council puts it:

"The U.S. stands to gain by remaining a party to the [Paris] agreement as a leader in developing clean energy sources. Clean energy and the grid improvements to deliver it are vital emerging technologies. Companies that lead in enabling these technologies will create thousands of jobs and will generously reward their investors."

<sup>&</sup>lt;sup>43</sup> See generally Nat'l Resource Def. Council, Revolution Now: The Future is Here for Clean Energy Technology (last visited Apr. 18, 2018).

<sup>&</sup>lt;sup>44</sup> Businesses Urge President Trump to Keep U.S. in Paris Climate Agreement, Am. Sustainable Bus. Council, Apr. 20, 2017.

While stepping away from the Paris agreement was a blow to the environment, it was also a setback to incentivizing new investments in small companies and job creation. Since 2008, solar, wind, electro-voltaic batteries and LED bulbs have all decreased in cost by over 55%. Astionwide wind capacity is now enough to power more than 25 million U.S. homes and solar capacity is enough to power more than 9 million homes. There are thousands of jobs being created by the solar sector alone, many of which are in small businesses. Of the 9,000 companies in the solar sector, 78% of them have 50 employees or fewer. In total, 270,000 Americans are employed in the on-site solar sector and 70,000 are employed in the utility-scale solar energy sector. In fact, solar jobs grew 25% in 2016, while wind jobs grew 32%, resulting in these two industries alone employing nearly 500,000 American workers.

Efforts to improve energy efficiency also account for a substantial amount of jobs in the U.S. In 2016, there were approximately 2.2 million jobs in this sector, an increase of 7 percent over the previous year.<sup>49</sup> Energy efficient jobs entail everything from design, installation, and manufacturing of energy efficient products and services. Out of a total of 6.5 million U.S. construction workers in 2016, approximately 21% of them work to support the construction or installation of energy-efficient technologies.<sup>50</sup> More construction firms are reporting greater numbers of their workers spending at least half their time on energy efficient projects, while manufacturing of energy efficient building materials and products is also growing. What is often not accounted for and harder to quantify are the small sellers of energy efficient products who also contribute to the economy, especially at the local level. Many are responsible for encouraging small businesses to adopt such useful tools to help them save money and save the environment.

Trump threatens the momentum and viability of this burgeoning sector with his roll back of regulations and proposed budget cuts. The U.S. should embrace new energy technology and, in doing so create jobs, additional tax revenue, reduce carbon emissions, and increase small company profits. If America does not build these new energy technology systems, it will lose its competitive advantage to countries that do. The renewable energy sector is growing rapidly worldwide and countries like China are pouring resources into research and renewable power generation. By turning away from this sector, the U.S. is sacrificing the potential to lead the way and gain productive jobs in small businesses.

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<sup>&</sup>lt;sup>45</sup> Nat'l Resource Def. Council, *supra* note 43.

<sup>&</sup>lt;sup>46</sup> Solar Jobs Census 2017, Solar Energy Indus. Ass'n (last visited Apr. 17, 2018).

<sup>&</sup>lt;sup>47</sup> Solar Industry Research Data, Solar Energy Indus. Ass'n (last visited Apr. 17, 2018).

<sup>48</sup> Id.

<sup>&</sup>lt;sup>49</sup> Dep't of Energy, U.S. Energy and Employment Report – January 2017 (2017). <sup>50</sup> *Id*.

# **CONCLUSION**

The future of the country could be bright for small businesses, the general economy, and the climate if the policies of this current administration reflected the vitality of a growing industry. Instead, the Trump Administration seems content letting other countries take the lead in the rapidly growing industries of renewable energy and energy efficiency. This costs the nation innumerable jobs and relinquishes our role as a leader of the free world in technology and progress. Loose environmental policy and continued climate change has and will harm small businesses both physically and financially, leading to dangerous natural disasters and higher insurance and tax rates. America must rejoin the rest of the world in supporting clean energy and decreasing carbon pollution. Our small businesses, people, and planet depend on it.