



The Connecticut Agricultural Experiment Station

October 3, 2012

SMALL BUSINESS IMPACT AND REGULATORY FLEXIBILITY ANALYSIS

Prior to adopting a new section or amendment, section 4-168a of the Connecticut General Statutes (CGS) requires that each state agency consider the effect of such action on small businesses as defined in CGS section 4-168a. When such regulatory action may have an adverse effect on small businesses, CGS section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency Submitting Proposal: The Connecticut Agricultural Experiment Station

Subject of the Proposal: RCSA sections 22-84-5d, 22-84-5e and 22-84-5g.
Asian longhorned beetle and Emerald ash borer quarantine and firewood regulations

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposal and determined the following:

Check all appropriate boxes:

- The proposal will not have an effect on small businesses.
- The proposal will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The proposal may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.

Explanation:

The proposal prevents or curtails the spread of two destructive forest pests by regulating the movement of firewood, logs, and other regulated articles into and within the State of Connecticut. Emerald ash borer and Asian longhorned beetles are invasive and destructive insect species of hardwood trees. Emerald ash borer targets ash trees and causes rapid decline and

eventual mortality in all infested ash trees. Emerald ash borer was first detected in Prospect, Connecticut on July 16, 2012 but was probably present there 4 years earlier, based on current examination of infested trees. The Asian longhorned beetle targets many hardwood species, resulting in the eventual mortality of infested trees. Although the Asian longhorned beetle has not been identified in Connecticut, an extensive infestation of this insect is now active in a vast area of Worcester County, Massachusetts, immediately north of Connecticut's border.

Both Emerald ash borer and Asian longhorned beetles may be spread by the movement of firewood from infested areas. To prevent the introduction of Asian longhorned beetle and limit the spread of Emerald ash borer in Connecticut, the proposal limits the movement of firewood into and within the State of Connecticut. The spread of infestation by these insect pests poses a significant and long-term economic threat to nurseries, lumber mills, and timber harvesting operations in Connecticut. Dead or dying trees become problems for utility companies, municipalities, and homeowners.

The proposal may negatively impact small businesses in Connecticut that make retail sales of firewood or logs by restricting the source and movement of such wood out of New Haven County, which is quarantined by both state and federal regulations. However, the proposal does not prevent sales of firewood, as long as the firewood has been properly treated or is of an origin that poses no threat of infestation. The proposal may also impact those who will transport firewood in non-quarantined counties of Connecticut because written documentation must accompany the movement of firewood to verify the origin of the wood. A no-cost, self-issued certification system has been established to allow state residents to easily comply with this requirement.

Based on our regulatory flexibility analysis, any exception or reduction in the measures concerning firewood for small businesses is not possible as such an exception or reduction would undermine the purpose of the regulation by allowing the potential spread of invasive pests. The economic consequences of a statewide infestation of the two plant pests of concern would cause significant economic damage, thereby justifying any burden to small business owners to obtain firewood from appropriate sources or to treat firewood. The Connecticut Agricultural Experiment Station has no information on the number of small businesses in Connecticut that make retail or wholesale sales of firewood. The 2007 U.S. Economic Census lists two establishments in Connecticut in NAICS 454310, both of which have fewer than 20 employees. However, it is likely that many more small businesses engage in the sales of firewood as a secondary part of a primary business. The costs of compliance with the regulations are unknown; any compliance costs incurred may be passed on to retail purchasers in the price of firewood.

The most serious impact to a small business is the potential confiscation of infested or potentially infested wood if the regulated articles were moved out of New Haven County without a permit, for which the business owner would receive no compensation. However, the business owner may readily avoid this impact by complying with the wood-treatment requirements or returning the firewood to its origin in the quarantined county. Firewood, logs, and other regulated wood articles can be freely moved and sold within New Haven County without a permit.

The proposal may have a positive impact on arborists, tree service providers, or other small businesses which can provide the treatments required for firewood that originates in quarantined areas to be safe for transport and use. Chipping dying or dead trees to one inch or less deregulates materials. Approved wood treatments include removal of the bark, kiln sterilization, fumigation, or heat treatment. The 2010 U.S. Census identifies 1,915 establishments in

Connecticut that provide landscaping services, including tree services and arborists (NAICS 561730), some percentage of which are small businesses that may benefit from this proposal.