

January 5, 2010

The Honorable Harvey Peeler
P.O. Box 742
Gaffney, SC 29342

RE: Business Community's Opposition to S.384, DHEC Restructuring

Dear Senator Peeler,

We write today to voice our unified opposition to any proposal that makes DHEC a cabinet-level agency whereby a Secretary is appointed by the Governor. Despite any individual problems we may encounter when dealing with DHEC, collectively, we find no compelling reason to restructure this vitally important agency as described in S.384. We do find, however, that there are compelling reasons not to restructure DHEC in such a fashion.

First and foremost, our citizens' health and the state's environmental and economic quality of life are inextricably linked and too important to be politicized. Making the head of DHEC a gubernatorial appointment will invite such politicization. We believe the Board structure currently in place is much better suited to help ensure sound science is the ultimate factor used in the decision-making process - rather than a single appointee's political, personal or ideological beliefs.

Those of us in the regulated community desire balance and predictability in the administration of environmental policy. Once again, the current system provides for that much better than a cabinet-level agency in which there is a consistent turnover in leadership, which brings with it policy and operational changes. As you may know, the national average for politically appointed directors is less than 24 months. This constant change in leadership would unnecessarily put DHEC at risk of losing more of its professional staff who understands the technical nature of the decisions being made.

Science - not politics - should drive the regulatory and environmental permitting process. It is critical to have an agency director with an understanding of the mission and laws that direct policy decisions. A political appointee does not allow for that. South Carolina has been fortunate to have had the last three Commissioners come from within the ranks of DHEC, each with twenty or more years of experience working with the Agency. This must be taken into consideration. With health and environmental issues we do not need to trade professionalism for politics.

Two recent examples that illustrate these points come immediately to mind. In Kansas the Secretary for its Department of Health and Environment, who is appointed by the governor, unilaterally denied a utility's air-quality permit based solely on his personal belief regarding carbon emissions - despite the fact that the Department's technical staff approved the permits and the planned expansion met all state and federal environmental laws and regulations. Not only did this political appointee place his personal beliefs over the law, but he also single-handedly thwarted a \$3.6 billion investment in the state. It's quite concerning that a single political appointee could ever have that kind of power over South Carolina.

In Wisconsin, it's widely presumed that the former Secretary of its Department of Natural Resources (which is comparable to our DHEC), was pushed out by his boss (the Governor) because he sought to enforce an environmental regulation over the objection of the Governor. As a result of this controversy, Assembly Bill 138 was introduced, which would place the DNR Secretary's appointment back in the hands of its Board. This was the system used prior to 1995. As Wisconsin's DNR recently retired chief legal counsel puts it, "Politics has totally shut down the DNR for anything but political purposes. The only decisions that get made at DNR are the ones the governor wants made." Do we want that scenario in South Carolina?

With an unemployment rate hovering near 12%, South Carolina cannot afford to send the wrong message about our business and environmental climate. The board and staff at DHEC are capable individuals with a very difficult mission. After all, DHEC's job is such that it rarely makes everyone happy, and frequently, they have no choice but to disappoint one or all parties involved. That being said, it's apparent to us that we have a system that provides for a balanced decision making process allowing participation by all parties. Placing DHEC in the cabinet will harm - not help - the process.

For these reasons, our organizations do not support restructuring DHEC into a Cabinet-level agency. Instead, we would encourage the Committee to focus on operational reforms that will enable DHEC to be more efficient while continuing to ensure that a proper balance is struck between economic prosperity and the protection of the health and quality of life for all South Carolinians.

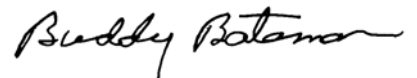
Sincerely,



Lewis F. Gossett
SC Manufacturers Alliance
President & CEO



Otis Rawl
SC Chamber of Commerce
CEO



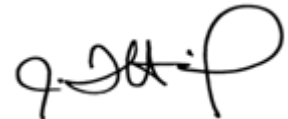
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SC Electric & Gas
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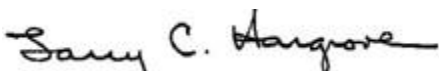
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