

Mr. Chairman & members of the Committee,

Thank you for the opportunity to comment on the proposed legislation relating to liability regarding the release of toxic substances. As Commissioner of Economic Development, our department works with businesses and communities to help grow our economy and provide Vermonter's with employment and job training opportunities. I'd like to take this opportunity to provide a brief statement addressing the potential economic impacts of the bill.

I'd like to address the economic implications of strict liability and the uncertainty it creates with our current manufacturing industry and our ability to attract new industries. The strict liability as proposed under S.197 would create a significant disincentive for many manufacturers who engage in developing and commercializing new technology. This bill treats the responsible corporate citizen, one who takes care in procuring the proper permits, following all applicable state and federal regulations, same as the malicious polluter. Asking companies to be responsible for the foreseeable as well as the unforeseeable, despite acting as responsible corporate citizens in the eyes of the law, may discourage those companies from pursuing innovations in advanced manufacturing, bioscience, ag-tech and clean technologies. S.197 also has the potential to put Vermont at a disadvantage in its ability to attract new industries. If strict liability is not adopted on a national or even regional level it would create an unfavorable economic environment when comparing Vermont to other states as a place to do business. This unlevel field of play comes at a cost, companies that must build the price of an unknown risk into the cost of their product will not be competitive in the marketplace, when a company is no longer competitive it loses market share, when it loses market share it can't afford to employ its workforce and this hurts hardworking Vermonters.

In closing I'd like to say that as a society we've struggled with reconciling business, the environment, innovation, and how to make sure businesses build the cost of responsibility into their products. As a State we've done better than others, but with obvious room to improve, but importantly we've not done anything that would make us a pariah in the national or regional marketplace. Business can tolerate being responsible for known and reasonable risks, but it won't tolerate something extreme or extreme uncertainty.

Thank you for the opportunity to comment and share our concerns.

