



SIX KEY POINTS FOR CONSCIOUS BUSINESS POLICY THIS YEAR

Decisions are being made every day at the national, state, and local levels that impact business and our economy. When businesses speak, the media and elected officials tend to listen.

The problem is that the conversation and policy decisions have for too long been dominated by business groups with an old way of thinking – that short-term profit at all cost is the most important criteria. This view holds that any move toward a more sustainable economy (e.g., setting a price on carbon, increasing the minimum wage, regulating chemicals) will bring nothing but job losses and shuttered businesses. This is simply not true.

There has been incredible growth in responsible and sustainable leadership by companies in all industries and that is to be applauded. However, we are still facing major obstacles to systemic change when the rules and policies are stacked in the favor of “old economy companies.” As we like to say, “If you’re not at the table, you’re on the menu.”

The good news is that business leaders, like the ones American Sustainable Business Council (ASBC) represents, are in a unique position to change the conversation and shape policy. It’s critical that responsible businesses speak up and highlight the fact that financial profitability is entirely compatible with, and actually enhanced by, environmental stewardship and social justice.

ASBC’s goal is to make sure people understand that, while the market is smart, it is not perfect. That’s why we need policies and regulations that ensure a level playing field and address externalities. It’s also why it is so important for conscious business leaders to get involved in setting policy for how the economy should work. While figuring out how the policy-making process works can seem a bit like learning a foreign language, it’s worth the time. Remember, if conscious companies are not involved in shaping the laws that govern the economy, others who may not share your values certainly will be.

As ASBC looks ahead to the issues that should dominate the discussion in 2015 and beyond, we ask you to join us in these efforts:



By David Levine (left), co-founder and CEO, and Richard Eidlin (right), co-founder and Vice President of Policy, American Sustainable Business Council



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1 THE TAXMAN COMETH

There is still at least one thing everyone in Washington agrees on: our tax code is in desperate need of an overhaul. Unfortunately, that’s about where the bipartisanship ends. Where does the extra revenue come from, and where will it go? What loopholes will get closed? Will the changes make life easier for all American businesses or just the biggest multinationals? Our view is simple: any tax reform needs to put small- and medium-sized businesses on an equal footing with big business.

That’s why we support ending tax inversions, which let companies buy a foreign competitor and reincorporate overseas to avoid taxes. To that end, we launched our “Proud to be an American Business” campaign. Whether it is your local coffee shop or hardware store or the largest of corporations, everyone should pay their fair share. All companies should pay for the needed infrastructure repairs, research and development, and education this country requires to stay competitive.

2 CLEAN WATER CREATES JOBS

ASBC conducts national small business polling every year. Last year, we found that 71 percent of the small business owners surveyed (a plurality of whom were self-identified Republicans) said clean water protections were crucial to economic growth, compared to six percent who said otherwise. That shouldn’t be surprising - many industries rely on clean water for one thing or another.

This explains why 80 percent of those small business owners, including majorities of Democrats, Republicans, and Independents, said they supported the Environmental Protection Agency’s (EPA) “Waters of the US” rule, which would clarify protections for certain types of waterways under the Clean Water Act. It’s important that businesses make their support known publicly, since some business lobbies are pushing hard to have



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the rule dropped or changed to make it less meaningful. Even if it is approved as is, we can expect lawsuits after the rule is finalized. So, it's crucial for business owners to continue to show that there actually is an economic case that clean water is good for business.

3 REDUCING CARBON EMISSIONS AND POWERING OUR WAY TO CLEAN AIR

One of the most contentious issues this year has been the EPA's proposed rules for reducing emissions from existing power plants. Those rules would require existing coal plants to cut their emissions by as much as 30 percent from 2005 levels, by the year 2030. Our polling found that 64 percent of small business owners favored government regulation to cut carbon emissions, and one in five say climate change has already affected them, so it's not a hard case to make. Businesses face significant risks to their supply chains and operations from climate change.

The EPA plans to finalize the rules next summer, and that's when the real work will begin. States will have one year to finalize their plans for meeting the new standards or three years if they decide to collaborate with other states. There are numerous creative opportunities for states and their business communities to work together to craft a range of solutions that benefit business while cutting carbon emissions.

4 THE PRICE OF CLIMATE ACTION

Putting a price on carbon is perhaps the most meaningful way to address climate change - and arguably the simplest from a technical perspective.

British Columbia offers an example of how this could work. The province's price on carbon, which was implemented in 2008, has led to significant declines in fuel consumption, while its revenue neutrality has resulted in the province having some of the lowest corporate and income tax rates in Canada. All the while, its GDP has grown faster than

the rest of the country's has since 2008. This success can be replicated in the US. Even the World Bank has issued a business statement that many companies, large and small, support putting a price on carbon. Our opportunity is global and, once again, businesses can help lead the way.

5 NET NEUTRALITY

ASBC is urging the FCC [Federal Communications Commission] to protect the neutrality of Internet access for businesses. It is crucial to oppose the effort supported by a few large Internet providers that would open the door to multiple tiers of access to consumers. This “fast lane, slow lane” approach would put start-ups and small businesses that rely on the Internet to reach consumers at a significant competitive disadvantage. Not only would their costs rise, but we can also expect to see reduced innovation and dynamism in the economy overall. Again, action by business will matter.

6 THE LABORATORIES OF DEMOCRACY

Anyone who's been watching Congress work - or not work - for the past several years knows that none of this will be easy to achieve, certainly on a federal level. Thankfully, there are other options for achieving policy change. In fact, there are 50 of them.

Ten states, plus Washington, DC, enacted minimum wage increases in 2014, and five more passed ballot initiatives in the midterm elections. Despite its failure in Congress, cap-and-trade systems have been enacted in California and in the Northeast. Paid sick leave legislation was considered in states from Alaska to Vermont. While action from Congress would still have the biggest impact, it's good to see states forging ahead.

It's easy to look at the political landscape now and wonder what it will take to address these problems. The answer is simple: it takes businesses demanding action. 

Founded in 2009, ASBC and its organizational members now represent more than 200,000 businesses and more than 325,000 business leaders across the United States. These diverse business organizations include trade associations, local and state chambers of commerce, microenterprises, social enterprises, cooperatives, green and sustainable business groups, local main street businesses, women business leaders, economic development organizations, and investor and business incubators. ASBC has been joined by a wide range of companies including Patagonia, Eileen Fisher, Ben & Jerry's, Seventh Generation, Clif Bar, Etsy, New Belgium Brewing, Green Depot, New Resource Bank, and Trillium Asset Management. ASBC informs and engages business leaders while educating policy makers and the media about the need and opportunities for a sustainable economy. www.asbcouncil.org