

**Senator Cruz Questions for the Record for**  
**Harry Alford, President and CEO of National Black Chamber of Commerce**  
**Subcommittee on Oversight, Agency Action, Federal Rights and Federal Courts**  
**Opportunity Denied: How Overregulation Harms Minorities**  
**Tuesday, October 6, 2015**

**Questions**

1. The black unemployment rate is still twice that of the white unemployment rate. And while small gains have been made recently in that area, those gains come largely from people completely giving up on finding work. How do excessive regulations contribute to this dire unemployment situation? And what has the present Administration done to combat the problem? Is it concerned?

**ANSWER:** The recent EPA rules are a great example to this. The Ozone Rule which requires levels that cannot be met by most municipalities will cause many areas to be declared “out of attainment”. Being out of attainment means no new construction or expansion of existing businesses. The denial of such business growth will reduce the potential of new jobs and the preservation of current jobs will total into the millions nationally. The Administration is the very source of this disaster. There appears to be absolutely no concern from the Administration.

2. As the President of the National Black Chamber of Commerce, can you describe some specific challenges particular NBCC members have faced when dealing with regulations, red, tape, and government bureaucracy?

**ANSWER:** The debate on Project Labor Agreements (union only construction projects) came up during the construction of the Wilson Bridge (DC area). Maryland wanted a PLA while Virginia insisted on Right to Work rules. The NBCC commissioned a study which showed that the two states had almost identical demographics. Yet, Virginia utilized three times more Black workers than Maryland. President George W. Bush’s response was to ban PLA’s from all federally funded construction projects. The first Executive Order issued by President Obama was to lift the ban and declare PLA’s be implemented on all federal projects valued at a million dollars or more. As 98% of Black construction workers are non-union, this order has had a devastating impact on Black employment.

Also, before the Dodd-Frank Amendment the SBA was processing loans to Black owned businesses at a rate of 8.0%. Today, that rate is at 1.8%. This is clearly devastating.

3. In your opinion, is the Affordable Care Act (a/k/a “Obamacare”) good for black-owned businesses? If not, why not?

**ANSWER:** No. The Act with its 20,000 pages is starting to have a very expensive impact on small businesses. Personally, I have a 90 day prescription which used to cost me \$134. The new price is now \$440. This is challenging for business owners with limited funds. We have two staffers whose policies have been abruptly cancelled. This is bewildering.

4. Can you name some of the most problematic federal schemes that have produced

excessive regulations?

**ANSWER:** Affordable Care Act, Dodd – Frank Amendment

5. At the hearing, we discussed various aspects of the problem of overregulation, but did not address in much detail how to best remedy the problem. Do you have any specific proposals for stemming the tide of overregulation? And what is your opinion about the following possibilities?

**ANSWER:** Yes, see below

- a. Under the Congressional Review Act of 1996 (CRA), Congress can overturn bureaucratic regulations by enacting a joint resolution of disapproval. According to a July 2015 report from the Congressional Research Service, however, this option has only been utilized *once* in nearly twenty years. Should we strengthen the CRA to give this avenue some teeth? If so, how?

**ANSWER:** A quadrennial review should be performed with actions.

**ANSWER:** Independent surveys by business owners could be made every four years. Conclusions can be reviewed and acted upon.

- b. Would you support automatic “sunsets” for all regulations—that is, would you support the idea that every regulation will automatically expire at a future date (*e.g.* three years) unless Congress specifically reinforces the regulation?

**ANSWER:** Absolutely

- c. Are you familiar with the Davis-Bacon Act? If so, do you view it as an example of federal government overregulation that harms minorities? Would you support amending or repealing it?

**ANSWER:** Yes, the Davis-Bacon Act has a racial pedigree. Black construction workers in the South had a legacy of fine craftsmanship (they built the South during slavery). They started migrating North and competing on contracts and would demand reduced costs for labor. Their success led to adverse regulation blocking their competitiveness. Thus, was born the Davis-Bacon Act. It should be repealed immediately

6. Are there any other points or issues that were not explored (or adequately explored) during the hearing that you would like to bring to our attention?

**ANSWER:** The Office of Federal Contract Compliance Program-OFCCP (Department of Labor) is not performing its function. Many construction unions are not hiring in a non-discriminatory manner. With the national average for minority hiring being approximately 14%. Most construction unions, by trade, hire minorities in single digit percentages. No union which practices discrimination should be certified by the Department of

**Labor. This is a big driver of high unemployment among Blacks.**