

Red tape-cutting scissors made permanent

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Guadagno commits state to phasing out redundant regulations

THE BURDEN OF excessive government regulation of business - long criticized for making New Jersey a difficult and expensive place to operate - is starting to ease as an initiative by Gov. Chris Christie to cut red tape becomes a permanent feature of state government.

Among the first state rules being phased out are those that duplicate federal regulations, with Christie ordering officials to justify any regulations that go beyond federal rules.

One redundant regulation getting the ax is a state rule requiring reports on suspicious activity at casinos, which already is covered by federal regulations. Lt. Gov. Kim Guadagno said the 19 /Osera casino regulations are ripe for reform, in the wake of technology that has transformed how the industry functions.

Other proposed rule changes: a board overseeing the sale of contact lenses proposed allowing sellers to substitute generic for brand-name contacts, and the Department of Treasury repealed a requirement that companies bidding on public contracts provide proof that they are registered with the Division of Revenue.

Guadagno signed an executive order Sept. 23 that created a Red Tape Review Commission, taking over for a temporary review group she had been leading. The executive order was her first as acting governor, signed while Christie was campaigning for governors in other states. She called it the "perfect complement" to eight-and-a-half months of efforts to reduce red tape.

The red tape review is being welcomed by New Jersey businesses eager to see not only a slowing of new rules, but a rollback of some of the thousands of pages of existing regulations.

Jeffrey W. Schaumberg, owner of Chester-based engineering firm Dynamic Earth LLC, said the amount of red tape in the state has been a "running joke among the business community.

"It's a very positive step," he said of the permanent commission. "Anything that can be done to streamline, to reduce the barriers for businesses to practice, would be tremendous."

The commission hasn't received universal praise. Jeff Tittel, New Jersey Sierra Club director, said the effort was about weakening environmental protections and public input into government, not red tape.

"It's actually funny we're creating a new commission to study red tape," he said, arguing that getting rid of current rules will require much more red tape.

Don Mallo, vice president of human resources for Extensis Group LLC, said employers are frustrated with red tape and the commission sends a positive signal.

"From our perspective, it really signifies the reversal that New Jersey is antismall business," Mallo said. He noted that his company, a **professional employer organization**, assists companies in handling regulations. "It's really been frustrating to our clients," Mallo said of the redundant regulations.

He also said the permanent commission shows follow-through by Christie's administration, "a welcome breath of fresh air."

Guadagno signed her executive order the same day the review group released a report that recommended repealing more than 30 regulations.

While Christie already had halted or curbed some new regulations that were proposed before he took office, this report was the first that addressed some of the state's existing regulations.

The commission has a massive task: to review all of the state's regulations, which Guadagno said total 26,000 pages.

Guadagno noted that the initial list of regulatory changes was submitted by state agencies, showing that state officials understand the importance of Christie's executive orders to reduce red tape. This change in attitude also is reflected in what she is hearing from business owners, she said.

"Every day, I get some kind of compliment," Guadagno said of the red tape effort and increased responsiveness. "People are saying 'thank you' for getting an answer."

Guadagno said the red tape effort is important to moving from the state's last-place position in national lists of state business climates.

"I'm confident we're going to move off the bottom," Guadagno said.

She emphasized that the commission would be staffed by existing state workers in the Business Action Center, which recently was formed under her leadership in the Department of State.

Lt. Gov. Kim Guadagno presents the final Red Tape Review report to Gov. Chris Christie on April 19.

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