



800-525-6464

1697 SWAMP PIKE  
GILBERTSVILLE, PA 19525

FAX 610-367-4950

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### Regulatory Impediment to Job Creation

I am Randy Eddinger and my brother Michael and I own a water treatment business known as Suburban Water Technology, Inc. We employ 14 full time people. We have been busy for about the last 1 ½ years. Our residential water treatment business has been slow for the last 4 years but our service business, our commercial business, and public water system operation business has been growing steadily.

We have found hiring to be one of the most difficult obstacles to overcome. We do have a thriving service business and since two people work in most households nowadays it is important that our customers trust us enough to let our guys in their homes when, sometimes, no one is home. That presents a big liability to us when it comes to the integrity of the people we hire.

We certainly have some of the same problems that most businesses have. The cost for medical insurance for our people went up 55% this year. Since we do in home service and as gas approaches \$4.00 a gallon, again, we are constantly deliberating the use of small higher mileage service trucks against the cost of operating lower mileage full size vans that hold a larger variety of parts and tools. There is such a great deal of uncertainty on the part of our economy, on interest rates, the value of investments (especially real estate) and how that uncertainty effects our customers willingness to spend money that job creation is a very scary business to us. We don't want to lay people off and because of the costs associated with hiring; i.e. training, insurance, additional vehicles, inventory, etc. it's seems better to work the existing staff harder with overtime than to increase our workforce.

I guess the rest of my comments are more questions than answers. Where is the economy headed? How serious and immediate is the debt? Are we headed for another downturn? Does it matter who wins the election? Will our taxes increase even more? Does overtime cost more or less than additional employees? I see the penalty for not insuring employees is less than paying the insurance premium so, it would make sense to save the money and pay the penalty. Assuming most businesses will do that I would think the health insurance companies will go out of that business over the next few years but, I also understand that the penalty increases dramatically in the 4<sup>th</sup> year so our costs will go up again with very few other options.

I know that the above are more federal problems than state ones however, it all goes toward the simple fact that as a business owner we have no idea where we will be with costs in 6 months, a year, 5 years from now. None of these things give me any incentive to want to take the risks that are always required when trying to grow your business.

As a consumer business we have the ability to raise our prices to offset costs but we never know when a price increase will exceed our customers desire to continue our services. We have no way of knowing what those limits are, and therefore, we are always reluctant to increase prices.

Working directly with state regulatory agencies certainly has its challenges as well. Securing permits in order to legally do work at public water systems can be difficult. Rarely do the time tables of us and our customers match up to those of the state agencies. Required educational credits and upgrading of licenses are sometimes difficult to find and expensive.

Randy S Eddinger