

The votes have been cast. The ballots have been counted. And for most Americans, the day-to-day attention paid to the political process – free of the spectacle of a presidential election – fades into the background.

But what exactly is poised to happen within the government now that the spotlight has dimmed?

After one of the most polarizing and incendiary election cycles in recent memory, with billions spent on negative ads and countless accusations hurled from one side to another, we find ourselves right where we started.

Democrats retain control of the Senate by a slightly larger margin – a major disappointment for Republicans who just months ago dreamed of big pickups. The House remains in Republican hands, but not without some bumps and bruises for the majority party after having lost senior members in key committee positions, from Cliff Stearns to Mary Bono-Mack.

Most importantly, President Obama won a decisive second term in office. After having governed with one hand tied behind his back by re-election concerns for the past two years, the Obama administration is now free to pursue desired policy without the encumbrances that have kept many of the party's favored agenda items in the barn for the past two years.

Perhaps nowhere will the impact of this mandate be more abundantly and immediately clear than on the pages of the Federal Register, where bodies like the Environmental Protection Agency are now poised to take meaningful and immediate steps forward on big-ticket – and costly – priorities that were kept under wraps by election-minded liaisons in the White House for the last two years.

Many of the initiatives pursued by EPA and others will be headline-drivers. Others, though, are poised to slide under the radar. But this lower profile doesn't mean the impacts will be any less significant.

Take, for instance, EPA's push to gain greater authority over chemicals through so-called voluntary programs that don't outwardly restrict the use of specific chemicals, but implement non-binding standards that simply serve as de facto regulations – encouraging de-selection in the marketplace.

Highlighting this effort will be a push for increased authority under the Toxic Substances Control Act (TSCA). Observers expect that the newly-unencumbered EPA will more freely utilize its authority under Section 6a, which allows them to ban or restrict chemicals. Previously, this process has been dependent upon thorough review and political input. With a new mandate, however, rulemakings are likely to be initiated far in advance of the science inherent to the process being settled.

Where direct rulemaking fails or cannot be applied, the aforementioned "voluntary" initiatives provide EPA with a backdoor regulatory opportunity – establishing controls on out of favor substances without going through the rigors of the rulemaking process or in-depth scientific analysis. The EPA's Design for the Environment (DFE), for instance, is a voluntary program, that does not employ established, consistent and rigorous scientific criteria, is not authorized by statute and follows no formal regulatory process or guidelines making it challenging for manufacturers to effectively engage and push for standards consistent with the US risk based regulatory approach. The result is that chemicals that have been proven safe in scientific review must also seek additional voluntary endorsement or be deemed inferior.

This unscientific, shoot-from-the-hip means of regulation is a severe stretch of EPA's mandate – and presents a real threat to the ability of this industry – and many more – to plan and compete.

Of course, EPA's ire focuses on much more than just the chemical industry. Economically massive initiatives – delayed for political reasons in the president's first term – are expected to slam the economy in the early days of the second term. And the implications stand to be severe.

Perhaps most prominently, a fresh revision of EPA's ozone standards was famously shelved in 2011 to the disdain of environmentalists everywhere. But despite environmentalists' cries, the decision to punt on the revision was politically expedient, as stricter ozone standards threaten to carry massive economic costs not just for industry, but for countless cities, counties, municipalities and states nationwide that would suddenly find themselves out of compliance. According to EPA itself, this new standard would cost the economy around \$90 billion annually

by 2020.

Not exactly a strong talking point for a candidate focused on touting his plan for economic recovery.

The regulatory hurdles taking shape, in other words, are significant. But as this second term commences, there may be some hope. Officials on both sides have expressed a seemingly sincere interest in reaching across aisles to find solutions that work for both sides. Efforts to avert the coming fiscal cliff will provide a first test for this burgeoning bipartisanship.

Where we go from there, though, remains to be seen.

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