



**PUBLIC TESTIMONY**  
Senate Committee on Environment and Natural Resources  
**SB 995**

March 27, 2017

Chair Dembrow and Members of the Committee:

Thank you for the opportunity for Associated Oregon Industries and Oregon Business Association to submit testimony on SB 995 that proposes to create a new, expensive, and burdensome regulatory program that would place additional burdens on many businesses, especially small businesses and manufacturers, for the purpose of doing an expensive accounting exercise with no discernable public benefits.

Associated Oregon Industries (AOI) and Oregon Business Association (OBA) collectively represent approximately 1,700 businesses that employ almost 250,000 Oregonians<sup>1</sup>. Our members and their employees share the same values and goals of all Oregonians – economic prosperity and environmental stewardship. We will continue to strive for policies that can meet both objectives. Unfortunately, SB 995 does neither.

Under federal and state laws, manufacturers and small businesses already report thousands of chemicals, either through air, water, and hazardous waste permits with the Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA), or to comply with the federal Emergency Planning and Community Right-to-Know Act (EPCRA). These reporting requirements are sophisticated and require significant investments from businesses to comply with the various regulations. Moreover, where some claim those reporting requirements do not produce enough information for the public, local governments already have the authority under state law to adopt a program that

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<sup>1</sup> AOI-OBA represent nearly 350 manufacturers employing 65,000 employees. Manufacturing is a critical sector of Oregon's economy and provides stability for many communities and families across the state. In 2015, manufacturing accounted for a quarter of Oregon's gross state product and Gross Domestic Product (GDP) from durable goods and manufacturing grew more in Oregon compared to the U.S. in every year but one from 2001 to 2015. Oregon's relative share of manufacturing employment is 20 percent greater than the nation's, and a higher than average percentage of that employment is in durable goods manufacturing (i.e., computer and electronic products, fabricated metals, wood products). And from 2010 to 2014, manufacturing jobs paid more than non-manufacturing jobs across all levels of educational attainment. And importantly, manufacturing employees were also more likely to have health benefits than non-manufacturing workers. In sum, a strong manufacturing sector is important to Oregon's economy, communities, and families.

would do what proponents are asking for. This legislation is not only duplicative and expensive to business and the state, but importantly, unnecessary.

If, on the other hand, this Committee is interested in passing this bill, the Committee should consider defining a number of critical terms. For instance, the term “employer” should be better defined and not rely on either a court decision or an ambiguous term like, “operating a facility designated” by DEQ. It is nearly impossible to determine who could be regulated by this legislation.

Likewise, the list of substances that “employers” could be required to report is to-be-determined. Instead of providing a specific list of chemicals, bill sponsors allow two different agencies to define reportable substances that would include, but are not limited to substances as defined by another statutes or identified by some third-party. Moreover, the bill does not define what quantities of materials a business must report to the agency. Instead, SB 995 provides that an undefined employer must report the undefined materials in the “smallest accounting unit”. Smallest accounting unit could mean a number of values and it is unclear what the bill sponsors intent is in using this ambiguous term. For these reasons, providing specific information to the consequences of the program to businesses is impossible to completely understand. The Legislature should be clearer in its intentions.

Lastly, DEQ does not have the capacity to do this work at this time. In fact, the agency’s budget is already under significant pressure. As a result, businesses are being asked to accept significant fee increases from current programs, even if the programs are not meeting agency objectives (e.g. 42% fee increase to Air Contaminant Discharge Permit holders even though the agency needs to make improvements on issuing timely air permits).

In short, neither the DEQ nor the regulated community can afford a new regulatory program, especially when it will not provide any discernable benefits. Nevertheless, if the Legislator chose to add a new expensive program to DEQ – such as this – the Legislature should further define the language in the bill so that DEQ and the business community can better understand bill proponents’ expectation. And likewise, so that Legislators can better understand the overall impacts to small, medium, and even large Oregon employers.

**We urge you to OPPOSE 995.**

Thank you for your consideration.

Sincerely,

Associated Oregon Industries and the Oregon Business Association