



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT FOR THE RECORD

April 10, 2017



Chair Helm and Vice-Chair Johnson:

Understanding the looming deadlines, Associated Oregon Industries (AOI) and the Oregon Business Association (OBA) would like to provide the House Committee on Energy and Environment important feedback on Legislation recently posted for work sessions. Collectively, our associations represent 1,600 Oregon businesses that employ nearly 250,000 Oregonians. And with the tens-of-thousands represented by association partners identified below, we request that the Committee **Vote NO** on the following bills:

HB 3105 Product Stewardship Regulations

AOI-OBA oppose HB 3015 because it would require manufacturers and retailers of certain household products to create or participate in a first-of-its-kind regulatory product stewardship program. As designed, the proposed product stewardship provides little direction to DEQ and businesses what is required under a product stewardship program. Moreover, the products under this law rely on federal laws and regulations that have no demonstrated connection for the need of a program in Oregon. This is an unnecessary policy proposal that will be a confusing and expensive burden on our members.

Also opposed by: American Chemistry Council, Oregonians for Food & Shelter, Oregon Association of Nurseries, American Cleaning Institute, Oregon Farm Bureau, Automotive Specialty Products Association, Consumer Specialty Products Association, Crop Life America, Oregon Metals Industry Council, American Forest & Paper Association, Schnitzer Steel Industries, Ash Grove Cement Company, Northwest Pulp and Paper Association

HB 2236 Industrial Air Emissions Study

AOI-OBA oppose HB 2236 because the Department of Environmental Quality already has the authority to study regulating industrial sources of air pollution and can already recommend legislation. This legislation is unnecessary. In fact, the agency has been going through the processes identified in this bill calling it Cleaner Air Oregon. However, as acknowledged by the agency in HB 2269, this is an expensive process. In short, the bill will require the agency to spend already limited resources on something it is already doing. This bill is unnecessary and will use already limited resources.

Also opposed by: Oregon Forest Industries Council, Northwest Pulp and Paper Association, Northwest Food Processors Association, Oregon Metals Industry Council, American Forest & Paper Association, Schnitzer Steel Industries, Ash Grove Cement Company

HB 2269 Title V Fee Increases

AOI-OBA oppose sections 1 and 2 of HB 2269 because those sections propose to raise air permitting fees in a one-time assessment. Those fee increases amount to approximately 16%. As described to us, this one-time assessment is intended to “stand up” the new Cleaner Air Oregon regulatory program. Then in 2018, the agencies will come back to the Legislature and ask for additional resources to operate the new regulatory program. The proposed new program, as explained below, is more than just problematic, it is devastating to many Oregon businesses and communities. Our businesses support a program that addresses real issues caused by a constituent’s facility. However, any program cannot undo decades of land use planning failures and no single facility should be expected to shoulder the burden of past state and local policy decisions. Nevertheless, that is what the agencies intend to do with this fee increase. Oregon deserves better.

Also opposed by: Oregon Forest Industries Council, Northwest Pulp and Paper Association, Northwest Food Processors Association, Oregon Metals Industry Council, American Forest & Paper Association, Oregon State Chambers of Commerce, Ash Grove Cement Company

HB 2020 Expanding the Department of Energy

AOI-OBA oppose HB 2020 because it proposes to unnecessarily grow Oregon government using limited ratepayer and tax payer dollars while creating a new, ambiguous regulatory authority in an already troubled Department of Energy. Oregon’s economy is one of the cleanest, least carbon intensive economies in the country. We are a national leader providing low greenhouse gas emission energy to consumers without relying on nuclear energy resources like many other states. However, to continue to lead, we must ensure that our policies and resources are carefully directed toward productive outcomes. HB 2020 proposes to compromise those objectives using limited ratepayer dollars while detracting from our overall economic objectives.

Also opposed by: Oregon Dairy Farmers Association, Oregon Fuels Association, Oregon Farm Bureau, Oregon Forest Industries Council, Northwest Food Processors Association, Industrial Customers of Northwest Utilities, Oregon Metals Industry Council, Oregon Cattleman’s Association, Northwest Pulp and Paper Association, American Forest & Paper Association, Oregon People’s Utility District Association

HB 2135 Cap-and-Trade Regulations

AOI-OBA oppose HB 2135 because it would place an undue burden on Oregon businesses and consumers without providing any realizable climate or environmental benefits. According to our recent study, cap-and-trade in Oregon would cost the economy approximately \$1.3 billion in 2035, and \$4.6 billion in 2050. All the while, Oregon would not experience any changes to its climate. We support smart climate policies that can help grow Oregon’s economy and reduce global greenhouse gas emission. However, as designed, this bill diminishes Oregon’s competitiveness and places an unnecessary burden on businesses and working families. Oregon can do better.

Also opposed by: Oregon Farm Bureau, Oregon Metals Industry Council, Northwest Industrial Gas Users Association, Northwest Food Processors Association, Oregon Cattleman's Association, Northwest Pulp and Paper Association, Industrial Gas Users of Northwest Utilities, Oregon Forest Industries Council, American Chemistry Council, Oregon Fuels Association, American Forest & Paper Association, Oregon State Chambers of Commerce, Oregon Dairy Farmers Association

HB 2138 Diesel Engine Mandates

AOI-OBA oppose HB 2138 because it would introduce portions of California's costly regulatory program to Oregon, at an accelerated rate that will not work for businesses in our state. In addition, the bill proposes to add public contracting provisions that would disrupt the level playing field in Oregon and may be preempted by federal law under the Federal Clean Air Act.

Moreover, the changes proposed to idling standards are problematic: There are currently 339,088 heavy trucks operating in Oregon. Of those, 292,489 are from out of state. It would be impossible to effectively educate the vast numbers of out of state truck drivers if local government were allowed to establish a different idling standard. Likewise, if bill proponents amend the idling provisions to regulate delivered-to store-fronts, idling regulatory compliance will shift to unsuspecting business owners. This, too, would be a difficult and unfair policy outcome. Lastly, the proposed statewide registration program is costly and unnecessary. The information required to understand diesel's impact in Oregon can be achieved by an inventory, and does not require registration. We are interested in supporting smart diesel reduction policies, like targeted spending of the Volkswagen Settlement funds, but HB 2138 goes beyond that and is bad for Oregon businesses.

Also opposed by: Oregon Forest Industries Council, Oregon Farm Bureau, Associated General Contractors, Oregon Trucking Association, Associated Oregon Counties, Oregon Metals Industry Council, Associated Oregon Loggers, Public Ports Association, Oregon State Chambers of Commerce, Special Districts Association of Oregon, Oregon Concrete and Aggregate Producers, Northwest Food Processors Association, Oregon Homebuilders Association, Oregon Fuels Association, Oregon People's Utility District Association, Oregon Dairy Farmers Association, Northwest Pulp and Paper Association

Thank you for your consideration.

Associated Oregon Industries and Oregon Business Association

cc: Speaker Kotek
Republican Leader McLane