



SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES FOR THE RECORD



April 12, 2017

Chair Dembrow and Vice-Chair Olsen:

Understanding the looming deadlines, Associated Oregon Industries (AOI) and the Oregon Business Association (OBA) would like to provide the Senate Committee on Environment and Natural Resources 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:

SB 1008 Diesel Mandates

AOI-OBA oppose SB 1008 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 SB 1008 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, Portland Business Alliance, Associated Oregon Loggers, Public Ports Association, Oregon State Chambers of Commerce, Special Districts Association of Oregon, Oregon Concrete and Aggregate Producers, Oregon Metals Industry Council, 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

SB 958 Public Use Regulatory Test

AOI-OBA oppose SB 958 because it introduces a new balancing test for permitting decisions that creates a preference for public use at the expense of economic development. Oregon laws and regulations currently provide important protections for navigation, fishing, and recreation. This new regulatory preference is duplicative for environmental and navigation protection and unwisely creates a regulatory preference for public use projects over private economic development. We do not believe this is good policy in this regulatory context, or any other.

Also opposed by: American Chemistry Council, Oregon Fuels Association, Western States Petroleum Association, Associated General Contractors, Northwest Food Processors Association, American Forest & Paper Association, Oregon Farm Bureau

SB 1007 Climate Test and Regulation

AOI – OBA oppose SB 1007 because the bill language fails to adequately describe both the “climate test” analysis and how state agencies will rely on the analysis during critical permit and decision-making processes, unnecessarily adds to Oregon’s regulatory red tape, and will increase the burden on state agencies and their already stressed budgets. In the end, passing this bill will not provide any realizable climate benefits, and will either make development more costly or even stop important economic development projects altogether.

Also opposed by: Oregon Metals Industry Council, Northwest Food Processors Association, Northwest Food Processors Association, American Forest & Paper Association, Northwest Pulp and Paper Association

SB 557 Cap-and-Trade

AOI-OBA oppose SB 557 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 Council, 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, Western States Petroleum Association, American Forest & Paper Association, Oregon State Chambers of Commerce, Schnitzer Steel Industries, Ash Grove Cement Company and Northwest Industrial Gas Users Association, Oregon Dairy Farmers Association,

Thank you for your consideration.

Associated Oregon Industries and Oregon Business Association

Cc: Senate President Peter Courtney
Senate Republican Leader Ted Ferrioli