



April 26th, 2019

Senator Cliff Bentz
900 Court Street NE, S-301
Salem, OR 97301

RE: Letter Against HB 2020 – “Cap & Trade”

Dear Senator Bentz:

I am writing you with regards to HB 2020.

I am the senior shareholder of the Certified Public Accounting firm The Nichols Accounting Group, P.C. located in Ontario, Oregon and Nampa, Idaho. We have approximately 45 employees and represent primarily businesses and their owners. Most of our client base is located in Eastern Oregon and Southwest Idaho. With nearly 40 years of experience representing business clients on both sides of the Snake River, I believe the thoughts of our firm on the impact of HB 2020 on the Oregon sited businesses are relevant.

The OR Legislature is on record with providing funding and support for the Eastern Oregon Border Board, which is charged with proposing legislation that will benefit this Eastern Oregon border region to compete with Idaho. Several bills are currently marching through the process in Salem now. HB 2020 effectively destroys any gains the EOBBS efforts might achieve.

Oregon based businesses in this region are in a life and death battle. We are working hard to retain businesses on the OR side of the border but despite these efforts, a number of businesses have relocated to Idaho for better operating conditions. Those moves occurred in 17 and 18, before any HB 2020 discussion began. Now, numerous other businesses are watching this bill, and others, to see if they should follow suit and move their businesses to Idaho. Be assured, Idaho is waiting with open arms to accept those businesses.

HB 2020 directly impacts many Ag producers, processors, and manufacturing entities located in this region. Oregon fuel and natural gas prices are already higher than similar products in Idaho. This increase in tax proposed by HB 2020 will continue to rise over the years and businesses reliant on fuel will either move their business entirely or move all of their purchases of fuel to Idaho. That fuel has a higher carbon content than fuel purchased in Oregon so that increase in emissions achieves just the opposite effect of the intent of HB 2020.

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The increase in the costs of natural gas may very well push large employers out of our region. Heinz potato plant located in Ontario employs many people. A roughly 40% increase in their natural gas costs may very well be the last straw for Heinz, who has many other plants around the country and could just shut this one down and move production elsewhere. That loss of jobs for our region will further devastate an already economically depressed region.

Business and agribusiness owners are struggling in our region. Please do everything you can to help them make decisions to stay located in Oregon and to be able to be profitable with their decision to stay in Oregon. Please vote NO on HB 2020.

If members of our firm can assist in any way through testimony or other efforts, please let us know.

Sincerely,



Douglas P. Lamm, CFA
The Nichols Accounting Group P.C.