

OREGON  
BUSINESS  
& INDUSTRY

# OPPOSE EXCLUSIONARY MANDATES: NO on HB 4080B Labor Standards

HB 4080B includes costly labor mandates on offshore wind projects that go far beyond what is included in the Federal Inflation Reduction Act (IRA) and the current law in Oregon. This means projects in Oregon would become more difficult to build and will be more expensive than other states with offshore wind opportunities.

Currently, the Federal IRA tax credits already require prevailing wage rate be paid on the projects as well as a 15% craft-specific apprenticeship requirement. Additionally, the Federal IRA tax credits have their own Buy America provisions as well.

HB 4080B goes far beyond the Federal IRA tax credit labor standards and material procurement requirements, functionally excluding local contractors and making Oregon projects more costly and administratively burdensome than any other state with offshore wind opportunities. Developers likely will not choose to invest in Oregon if all these added barriers are included from the start:

**Project Labor Agreements (PLAs):** Project Labor Agreements (PLAs) require the use of union labor on projects. This means that open shop contractors will not be able to use their own workforce to complete jobs they are hired to complete. Instead, they will be required to hire from the union hiring hall. The requirement also opens them up to unfunded union trust liability. It also puts the finger of the state on the scale in favor of union contractors and discriminates against open shop contractors, purely because of their choice of business model.

**Labor Peace Agreements:** Labor Peace Agreements under HB 4080B would require a contractor to recognize a union based on the card check process rather than a secret ballot process and would require the developer or contractor to remain neutral with respect to labor organization for all non-construction portions of the project. This is ripe for a legal challenge, because similar labor peace agreements have been found to be preempted by the NLRA (National Labor Relations Act).

**BOLI Registered Training Agent Requirement:** The bill requires that contractors be registered training agents in order to bid on the project, if they choose not to sign a PLA. There are limited opportunities for contractors on the coast, particularly open shop contractors, to become training agents. Also, it is not a simple process to start a registered training agent program – it takes up to two years of work and significant investment from open shop companies. Because of this, these contractors would be pushed to signing a PLA and labor peace agreement in order to bid on the project.

**Buy America Requirements:** This bill creates different Buy America provisions from current Oregon law as a result of HB 3332 from the 2023 session. This will create confusion between requirements here, federal requirements, and the requirements already in place for select projects in Oregon.

**We urge opposition to HB 4080B to ensure that all Oregon contractors are given the same opportunities to bid on these significant projects.**