



February 15, 2024

**TO:** Committee on Climate, Energy and Environment

**FR:** Sharla Moffett, Oregon Business & Industry

**RE:** Opposition to HB 4112

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Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

OBI opposes HB 4112. To some extent, the bill looks and reads like an omnibus piece of legislation. The multiple facets are complex and likely to cause a great deal of confusion around multi-agency administrative responsibilities, requirements, and rulemaking.

The bill proposes to make sweeping changes in just to name a few: state procurement guidelines, labor and employment regulation, workforce training, opportunity funds, grant making, and a new advisory council.

There are state procurement rules in place that ensure consistency and fairness. This bill would take one sector—clean energy—and create special procurement rules for it. That seems to fly in the face of the reasons our state procurement rules exist.

One cause for concern involves the labor standards HB 4112 would potentially set, or at least declare a preference for, before any work is done to invest in or attract any of the innovative technologies encouraged by the bill. Not only would indicating such a strong preference for labor standards – like project labor agreements (PLA) or apprenticeship requirements – put the cart before the horse, it could have a chilling effect on investments and innovation when those are needed the most to meet the challenges we must face. And requiring PLAs would exclude many of Oregon's locally-owned companies when so many are being courted by other states.

The Oregon legislature passed the public contracting code to, among other things, ensure open and competitive bidding on public projects and promote the efficient use of state and local government resources.

Under the public contracting code, public projects should generally be awarded to businesses that best serve the public - by providing goods and services at the price that maximizes the public's economic investment. If the rapid development of clean energy technologies is key to reducing emissions to address climate change, driving up costs by imposing costly labor requirements doesn't seem likely to achieve this goal.

It is noteworthy that the bill cultivates Oregon's clean-tech industries, while also looking to maximize synergies with the federal Inflation Reduction Act for the state's benefit. These are very worthy goals. However, the complexity and scope of HB 4112 make it challenging at this point to see how it would all come together effectively and efficiently during a short legislative session. We would recommend that instead, these issues be taken up in the interim with the goal of refining the concepts for clarity, efficiency and effectiveness.

Thank you.