



OREGON  
BUSINESS  
& INDUSTRY

OBI

## In View: Manufacturing

### OBI Comments on Cleaner Air Oregon Rulemaking

OBI is engaging in the rulemaking at the Department of Environmental Quality (DEQ) related to implementation of Cleaner Air Oregon.

Cleaner Air Oregon (CAO) is a program started in 2016 to regulate air contaminants at the direction of Gov. Kate Brown. CAO requires industrial facilities to report their emissions of toxic air contaminants, to assess the risk to public health of neighbors from those emissions, and to reduce emissions if levels are above requirements adopted in CAO rules. The Department of Environmental Quality (DEQ) adopted the majority of the CAO rules in November 2018.

[SB 1541](#), which modified the program, was adopted in March 2018 by the Legislature. One provision of the bill directed DEQ to modify the level of risk at which facilities are required to reduce emissions for chemicals known to have developmental, respiratory, or other noncancer health effects. SB 1541 established risk levels for facilities and laid out a process for reducing risks further if data showed that certain chemicals at specific facilities were expected to have developmental or other severe human health effects.

DEQ is now conducting a separate rulemaking to set these alternative risk levels, known as hazard index levels, and is reconvening the CAO rules advisory committee (RAC) to inform development of proposed rules. OBI has been engaging in this process.

After the July 10, 2019, RAC meeting, OBI submitted [comments](#) expressing concerns with the approach DEQ is taking in proposing a reduction of the hazard index for between 141 and 184 possible contaminants. We do not believe this approach is consistent with SB 1541. The RAC will meet again in September to address the fiscal impact of reducing the hazard indices. DEQ has informed us they believe the public comment period will conclude in fall/winter 2019. Rules will be adopted after that time. We will keep members informed of this process.

Click here to see [DEQ infographic](#). Please contact [Sharla Moffett](#) for more information.

---

### OBI Participates in Water Fee Rulemaking

OBI's Sharla Moffett, director of government affairs for energy and environment, attended DEQ's RAC on water quality fee increases on Wednesday, Aug. 7. These fee increases are intended to address the DEQ permit processing backlog.

Nearly half of all water quality permits are not renewed on time. In 2018, DEQ estimated that

nearly 84% of water permits were out of date. That number has now fallen to 70% but there remains a serious backlog and delay. These delays cause needless costs and uncertainty for businesses. An independent review commissioned by the Legislature in 2015 recommended increasing fees and hiring additional staff to address the backlog.

This year, Gov. Brown initially proposed a 38% increase in DEQ fees, but the Legislature rejected that proposal instead approving a 21% increase in the 2019-2021 budget. The fees will fund 10 new permanent positions supporting the water quality permitting program. While we always have concerns about fee increases, OBI feels the new positions will greatly ease backlog and the associated expense that lengthy delays and uncertainty cause our members. We will track implementation to make sure that is the case.

This [document](#) lays out the two options being proposed by DEQ, the fee analysis and fiscal impact statement. Since the increase was legislatively approved, the deliberations of the RAC will be focused on how the increase will be implemented rather than if fees will be increased. The full fee increase is effective July 1, 2020; there is no phase in.

Here is additional information about DEQ fees worth checking out:

[HB 5017 Budget Report and Measure Summary](#) (see Package 127, pages 6-7)  
[Current OAR Water Quality Permit Fee Tables](#)  
[Current OAR Regulations Pertaining to NPDES and WPCF Permits](#)  
[Public Notice Package to the EQC Regarding the MS4 Fee Increase in 2018](#)

Please contact [Sharla Moffett](#) for more information.

---

## National Issues

### Manufacturers Welcomes Senate Bill to Reauthorize Export-Import Bank

Washington, D.C. – On July 25, National Association of Manufacturers Vice President of International Economic Affairs Linda Dempsey released the following statement praising introduction of legislation authored by Sens. Kevin Cramer (R-ND) and Kyrsten Sinema (D-AZ) to reauthorize the Export-Import Bank:

“We need long-term certainty that the Ex-Im Bank will be able to continue helping manufacturers of all types and sizes secure new sales overseas that support well-paying American jobs. This bipartisan legislation—through its 10-year reauthorization of the agency and fixes to its past quorum issues—will help do just that and marks an important step forward toward reauthorization. Manufacturers appreciate the work of members on both sides of the aisle to move forward a robust Ex-Im reauthorization and urge both chambers of Congress to work together to reauthorize the agency before the September 30 deadline. The more than 12.8 million men and women who make things in America are depending on it.”

---

### OBI Urges Ratification of USMCA

OBI sent a letter to U.S. Reps. Earl Blumenauer and Suzanne Bonamici urging positive review of the United States Mexico Canada Trade agreement now pending in Congress. “USMCA is widely seen as an improvement over NAFTA and its ratification by Congress will help create American jobs, cultivate innovation, and spur economic growth while also strengthening protections for workers and the environment,” OBI CEO Sandra McDonough said in the letter to the Oregon representatives.

McDonough noted that international trade, especially trade with Mexico and Canada, is a major economic driver and job supporter here in Oregon, as trade with Canada and Mexico supported 154,000 Oregon jobs in 2017. Failure to ratify USMCA could be disastrous for

Oregon, she said. Many OBI manufacturing members engage in commerce with Canada and Mexico.

“While OBI appreciates that there may be room for improvement in USMCA, we do not want to see a good agreement fail due to the pursuit of perfection, particularly with the high economic stakes for Oregon that are involved,” McDonough said.

Read the full letter [here](#).

---

## Tariffs Likely to Expand in September

The Trump Administration has announced a new round of tariffs on Chinese goods. These tariffs will be targeted at consumer goods, imposing a 10% tariff on \$300 billion of US imports from China. Previously, the Administration imposed a 25% tariff on \$250 billion in Chinese goods. The newly proposed tariffs are set to apply to items like clothing, electronics and other consumer products. Economic watchers suggest these tariffs would hit US consumers directly, far more than previous tariffs.

This is in response to the failure of the trade representatives from both countries failing to reach an agreement in the ongoing trade war between US and China.

---

## State Issues

### CAT Rulemaking

The Oregon Department of Revenue put out a notice about rulemaking for the new Corporate Activity Tax (CAT). The department has begun planning for the rulemaking process and will hold stakeholder meetings across the state. Details for that are still being worked on.

Initial draft rules are expected in January 2020. The Department is gathering stakeholder input to identify issues and the first priority will be resolving issues regarding registration and estimated payment requirements. You can send questions and feedback directly to the CAT policy team at [cat.help@dor.oregon.gov](mailto:cat.help@dor.oregon.gov). You can sign up for updates on the [CAT website](#).

OBI will remain engaged throughout the rulemaking process. Please contact [Mike Stober](#) if you have questions or would like more information.

---

## Member Focus

### Greenbrier Companies Leading on Sustainability

*From our partners at the National Association of Manufacturers*

In a recent [National Association of Manufacturers survey](#), 80% of manufacturers said they had a sustainability policy in place or were developing one. Freight railcar equipment designer and manufacturer The Greenbrier Companies – a long-time OBI member based in Lake Oswego -- is making strides through innovative sustainable design, from reducing railcar tare weight to efficiently building marine vessels.

“At Greenbrier, we pride ourselves on manufacturing among the most environmentally friendly forms of transportation while simultaneously improving our production processes and engineering designs,” said Jack Isselmann, senior vice president for external affairs and communications. “This promotes long-term sustainability across the transportation and shipping industries.” Jack serves on the OBI board of directors and chairs the OBI PAC.

These innovations present exciting opportunities for long-term progress. Greenbrier has

introduced innovative railcar designs since 1985, beginning with the double-stack intermodal unit. Prior to its inception, the number of trailer-equivalent units per train maxed out at 120. With the ability to stack two units per railcar, that number quickly grew to over 200 units per train, saving space, time and money.

In addition, Greenbrier aims to make its operations more efficient by minimizing the weight and length of an individual railcar while simultaneously increasing its volume, allowing for more railcar units per train. Through a process called articulation—which reduces the weight of one railcar by making it share axles with another—Greenbrier is decreasing the space between railcars, ensuring that more may be included in trains and allowing for greater efficiency through a larger volume of transported products. Additionally, articulation increases braking efficiencies, which reduces fuel usage and greenhouse gas emissions.

“Manufacturers across the country are making operational changes that promote sustainability and prioritize our environment,” said Laura Berkey-Ames, Director of Resources and Energy Policy at the National Association of Manufacturers. “With 12 million employees throughout all 50 states, the manufacturing industry understands the positive impact our sustainability efforts can have—and we are committed to setting an example for other industries nationwide.”

For more information on Greenbrier’s approach to corporate responsibility, see its inaugural [Environmental, Social and Governance report](#).

<https://www.nam.org/greenbrier-companies-doubles-down-on-sustainability-5559/>



## Upcoming Events

### 2019 Statesman Dinner

The OBI Board Executive Committee has selected former Governor Ted Kulongoski and longtime Oregon leader Gerry Frank to receive the 2019 Statesman Award. We have also lined up Alaska Sen. Lisa Murkowski to be the keynote speaker at the dinner, scheduled for Oct. 7 at the Portland Art Museum. If you would like to acquire tickets click [here](#) or email [Morgan Beltz](mailto:Morgan.Beltz).



## Oregon Manufacturers in the News

[Daimler is Building Electric Trucks to Make Online Shopping Greener](#)

[Two Years In, OMIC Continues Growth](#)

[How Data and AI Are Helping Deschutes Brewery Respond to Beer Trends Faster](#)

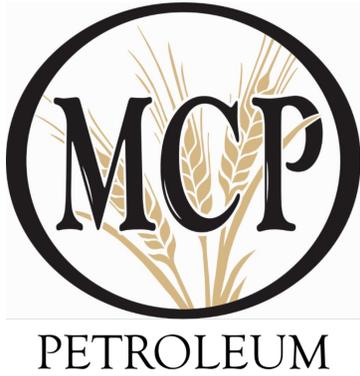
[Oregon Tech’s Lisa Graham Named to National “Influential Women” List](#)

[Amazon Shows Off Tech in its Biggest Oregon Fulfillment Center](#)



## Resources

## Wholesale Fuel Pricing



OBI has partnered with MCP Petroleum to drive down OBI members' fuel cost. OBI is leveraging the collective purchasing power of our membership to get wholesale fuel pricing for our members. In addition to fuel savings, OBI members will have access to a comprehensive fuel management system that will reduce slippage, save valuable employee time and provide accountability and oversight of your company's fuel consumption.

OBI members who use 900 gallons of fuel annually through their company are eligible for this program. Please contact [Jeff DeSantis](#) for more information.

## LegalPlus Program

Did you know, by being an OBI member you can get free legal advice? OBI and Innova Legal Advisors provides members 15 minutes of legal consultation each month through the LegalPlus program. Check it out by [clicking here](#). Or contact Bob Blackmore at Innova Legal Advisors: Phone: 503-479-7175; email: [Bob.Blackmore@innovalegaladvisors.com](mailto:Bob.Blackmore@innovalegaladvisors.com)



[LEARN MORE](#) →



[LEARN MORE](#) →

Oregon Business & Industry  
[oregonbusinessindustry.com](http://oregonbusinessindustry.com)  
1149 Court Street NE  
Salem, OR 97301

