



OREGON
BUSINESS
& INDUSTRY

OBI

In View: Manufacturing

At the Capitol

Cap and Trade

In recent weeks you may have heard about protests from log truck drivers at the Capitol regarding [HB 2020](#), the Cap and Trade bill. While the protests themselves have gotten a lot of coverage, the unique perspective of the timber industry has not. We sat down with OBI member Oregon Forest & Industries Council (OFIC) to get a better understanding about impacts of cap and trade on Oregon's iconic business sector, which included:

- Increases costs of gasoline and diesel by 22 cents per gallon in the first year of the program, with annual increases up to an additional \$3.00 per gallon over the next 30 years. (Legislative Revenue Office estimate);
- Potentially bankrupts the Highway Trust Fund by 2050, endangering funding of any future infrastructure projects;
- Increases the cost of natural gas (29% in the first year of the program), propane and other fuels;
- Places any manufacturer that is energy-intensive and trade exposed at a competitive disadvantage with jurisdictions that do not have capped emissions; and
- For forest products sector in particular: increases the overall costs of manufacturing due to increased utility costs and natural gas prices, endangers timber fiber supply due to offsets credits market, and increases fuel costs associated with harvesting and transporting logs.

Since March, two mills in Oregon have closed, and another announced the permanent layoff of 40 percent of its workforce. These closures spurred a grassroots uprising led by log truck drivers, which culminated today in a fourth rally around the Capitol by all manner of trucks and farm equipment to protest the bill and support the 11 GOP senators who have fled the state to deny a quorum in the chamber. More than 300 loggers, foresters and farmers flooded the Capitol steps – not including double that number driving their trucks around the building for almost 8 hours. In 21 days, the #timberunity uprising has gathered 40,000 followers on FaceBook, with exploding support across the state. [Click here](#) to see a video.

OFIC was one voice among many in the OBI membership that lobbied this complex issue, sometimes with divergent viewpoints on specific aspects of the bill. Balancing those many voices, [OBI's position](#) was that, as the bill moved forward, HB 2020 needed amendments to address concerns that had been raised by the manufacturing and transportation sectors.

At the end of the day, HB 2020 failed to muster the support it needed to become law, probably due largely to concerns raised by groups like OFIC. This week, Sen. Peter Courtney announced on the Senate floor that the bill did not have the votes to pass the

Senate – and he added that was not going to change this session. That, effectively, announced the death of cap and trade for this legislative session. Whether the issue will come back in a future legislative session –and, if it does, in what form – remains to be seen.



National Issues

NAM Survey: Manufacturing Optimism Dips in Q2 Amid Trade Uncertainties, Workforce Shortage

A recent survey by the National Association of Manufacturers (NAM) reveals a loss of optimism in manufacturing. Optimism in the business outlook dropped from 89.5 percent in the first quarter to 79.8 in the second quarter.

“Clearly, optimism is still strong among manufacturers, but you can’t overlook the fact that trade uncertainties are causing concern for manufacturers,” said NAM Chief Economist Chad Moutray, who conducted the survey. “All things equal, I would expect these numbers to improve if we get the U.S.-Mexico-Canada Agreement across the finish line, strengthen our trading relationships by removing the threat of 232 auto tariffs and get a trade deal with China done.”

Manufacturers also pointed to workforce shortages as a reason for the loss of optimism.

Click [here](#) to read more from NAM.

State Issues

Non-road Diesel Engine Survey

Please consider filling out this survey from the Oregon Department of Environmental Quality on non-road diesel engine use. In 2017, OBI and other business organizations negotiated a compromise to the diesel phase-out bill, in part asking that the state complete a survey of existing diesel uses. This survey represents the effort to collect more data on non-road diesel engines. OBI is promoting the [survey](#) in our various weekly and monthly newsletters to assist the DEQ in collecting Oregon-specific information on diesel generators and compressors. Without state-specific information, DEQ would utilize EPA’s default data that likely overestimate emissions and provide an unrealistic picture of air pollution levels in the state. This is a blind, confidential survey and will not be used to create an equipment registry. Both businesses who utilize diesel compressors and generators and those who don’t should take the survey to ensure the data collected is accurate.

[Click here for the survey](#)



Oregon Manufacturers in the News

[Pepsico Invests in School Recycling Programs](#)

[Lattaner to lead Scappoose Workforce Training Center](#)

[Trade War Starts Changing Manufacturers in Hard-to-Reverse Ways](#)

[Port of Vancouver Prepares to Unload Record Shipment](#)

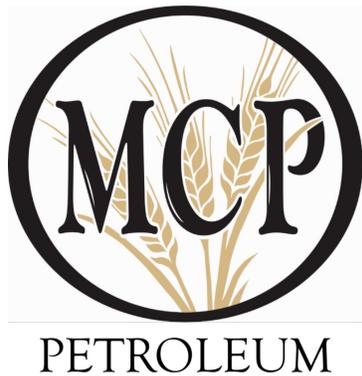
[Practical Insights from Intel's Inventor of the Year](#)

[Oregon Tech: Industry's University](#)



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





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