Cap and Trade Update

The controversial cap-and-trade legislation continues to dominate the February session, with the potential for a Republican walkout that could shut down work on all bills.

Last week, the Senate Environment and Natural Resources Committee approved SB 1530 after adopting a 177-page set of amendments that had been released only the night before. The bill now sits in the Joint Ways and Means Committee awaiting action to send it to the full Senate for a vote. Republicans leaders have not ruled out a walkout to deny quorum if that occurs. Senate Republicans blocked a vote on a similar bill in 2019 by walking out.

Outside pressure has come from both sides. Earlier this month, the Timber Unity movement activated thousands of people and a convoy of trucks and tractors to protest the bill at the Capitol. A few days later, about 1,000 rallied at the Capitol to urge passage.

The timing of the bill is critical because the February session is constitutionally limited to 35 days. Bills in Ways and Means are not subject to deadlines impacting other committees, but lawmakers know time is limited.

OBI has several members directly impacted by this bill who are engaged in the negotiations over language. We are in close touch with partners and have urged legislators to address the concerns raised by manufacturers and the transportation sector before moving a bill forward for a vote.

Indirect Source Petition

Thank you OBI members who submitted comments on the indirect source petition before the Environmental Quality Commission. Deadline for commenting was last Friday. As we said in
Yes
Select
No
Select

Last month’s question: Are regulatory fees a big concern for your business?

80% said yes
20% said no

Timber Agreement

Last week Gov. Kate Brown announced an agreement between environmental groups and Oregon’s forest industry. An [OPB article](#) said “the deal could result in the most significant changes to Oregon forest practices since the adoption of the Northwest Forest Plan in the 1990s.”

The announcement outlined a memorandum of understanding with 26 signatories. [Click here](#) to read the official document. The agreement has three major elements:

- Drive a process for Oregon to update its timber practices
- Support passage of new legislation for the 2020 session on aerial spraying of pesticides
- Expand forest stream buffers in the Rogue-Siskiyou region

[Click here](#) to read the full announcement.

Transportation

The [Metro 2020 Transportation Funding Task Force](#) at the end of January completed its list of highest priority recommendations for corridor investments around the Portland-metro area. [This full report](#) recommends funding of 13 corridors with a price tag of $6.03 billion. Of that, $3.81 billion is in investments from Clackamas, Washington and Multnomah counties, and the regional projects contingency fund. Metro is planning on submitting a bond for the November ballot and working to determine how to finance it. Options include a payroll tax, a vehicle registration fee, a personal income tax for earners over $100,000, or a tax on business income. It will likely consider a combination of these revenue options. The other $2.22 billion would come from leveraged funds primarily from federal sources.
Rulemakings

Greenhouse Gas Reporting Rules

OBI submitted comments on the Department of Environmental Quality’s proposed Greenhouse Gas Reporting rules, which were released last December. Our comments raise concerns with the expensive, complex and unworkable third-party verification requirements which put additional financial burdens on Oregon manufacturers. We also expressed OBI’s frustration with the aggressive rulemaking timeline.

OBI also advocated that this process is implementing regulatory programs ahead of a statutory mandate. Lawmakers in Salem have not passed legislation on carbon emissions, but if they do, we could have a situation where the DEQ’s greenhouse gas rules don’t match up with those new laws.

Willamette Basin Mercury Targets

OBI submitted comments on the Willamette Basin Total Daily Maximum Load report that the EPA and DEQ put out in December. OBI’s comments outlined the technical flaws in DEQ’s methods, which our partners at the Oregon Farm Bureau, the Oregon Forest & Industries Council and the Oregon Association of Nurseries analyzed last fall. In our most recent comments, OBI asks the EPA to address the technical flaws in its report and methodology and to reconsider reductions imposed on wastewater and municipal stormwater.
In its report, the EPA made drastic revisions to the reductions of mercury in some sub-basins, requiring some facilities to reduce mercury 97%. Even the EPA acknowledges the source of nearly all mercury in the environment is atmospheric deposition from precipitation. In other words, facilities would be required to clean up a massive amount of mercury that they had no part in creating.

Click here for a map of the affected waterways.

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**OBI Annual Meeting**

About 250 people attended OBI’s 2020 Annual Meeting last week, where we honored Reps. Jeff Barker, D-Aloha, and Shelly Boshart Davis, R-Albany, with our 2020 Jobs Champion Awards. If you want to revisit media from the event, click on the links below:

- 2020 Jobs Champion honorees press release
- New OBI board chair press release
- Video of Jobs Champion Awardee Rep. Jeff Barker
- Video of Jobs Champion Awardee Rep. Shelly Boshart Davis

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**Help Our Neighbors Impacted by the Eastern Oregon Floods**

Disastrous floods hit Umatilla County and parts of Eastern Oregon and Washington this month. The damage was bad enough that local agencies and the governor declared an emergency. Recovery efforts are now underway, and the Blue Mountain Community Foundation is helping in relief and recovery efforts, working with local governments, towns and counties to help victims. Please consider helping them out.

Learn more about opportunities to help in [this East Oregonian article](#).

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**Oregon Manufacturers in the News**

- Court of Appeals Overturns Clarno’s Rejection of Logging Ballot Measures
- [Oregon Environmental Groups, Timber Companies Strike ‘Extraordinary’ Compromise, Signaling End to November Ballot Fight](#)
- [Environmentalists and Timber Industry Reach Agreement on Forests, Avoiding Oregon Ballot Fights](#)
- [Oregon Gov. Brown: ‘Doing Nothing is Not an Option’ on Wildfire Bill](#)
- [Cap-and-Trade Opponents Flock to Oregon Capitol for Mass Rally](#)
- [Cap-and Trade Climate Bill Hearing Draws Big Crowd in Oregon Legislature](#)
- [Oregon Lawmakers Float Changes as Cap-and-Trade Debate Begins in Earnest](#)
- [PCC Breaks Ground on New Manufacturing Training Center](#)
Upcoming Events

Save the Date: Eastern Oregon Economic Summit

This event brings state, regional, and local leaders from across private and public sectors to Hermiston to discuss issues and set goals to improve our Eastern Oregon communities and region.

July 23: Regional industry and issue tours
July 24: General session and breakout discussions

Click here to learn more.

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 Nancy Marquay 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