



February 12, 2018

**To:** Chair Dembrow and Members of the Senate Committee on Environment and Natural Resources

**From:** Megan Chrisman, OBI

**RE:** OBI Testimony in Support of SB 1541

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Dear Chair Dembrow, Vice Chair Olsen and Members of the Committee:

Thank you for the opportunity to submit written testimony on this important issue for Oregon Business & Industry members.

OBI is Oregon's most comprehensive business association representing approximately 1,600 businesses that employ nearly 330,000 people. We represent multiple sectors and serve as the state manufacturing association. Our members and member's employees are located in many of the state's geographically diverse communities.

OBI has been engaged on air regulations for decades, including participating on the Cleaner Air Oregon Rules Advisory Committee. In addition, our association is working closely with Oregonians for Fair Air Regulations Coalition to ensure manufacturing voices are heard no matter the manufacturing sector they associate with. Together, manufacturers have continued to express concerns with the Department of Environmental Quality's (DEQ) proposed air regulations.

As a threshold matter, it is important to understand that air quality laws and regulations are important to the businesses and their employees. Everyone deserves clean air and access to a good job. Because this is a statewide matter with significant statewide implications, the Legislature should provide some oversight and guidance on the state's new, air quality regulations. Policy with profound impacts to businesses and communities like this should be made by legislators, not agencies.

Oregon businesses have a successful track record of reducing air contaminants, improving Oregon's environment, and protecting community and employee health. This is evidenced by the fact that today: **80 percent of air pollution comes from everyday activities like driving and heating with wood stoves.**<sup>1</sup> Due to substantial investments pollution control technology, **Oregon industrial sources now account for less than 15 percent of air pollutants.**<sup>2</sup>

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<sup>1</sup> Oregon Department of Environmental Quality, What You Can Do for Cleaner Air, *available at* <http://www.oregon.gov/deq/aaq/Pages/for-Cleaner-Air.aspx> (last accessed Nov. 11, 2017).

<sup>2</sup> Oregon Legislative Committee Services, Background brief on Air Quality (Sept. 2012), *available at* <https://www.oregonlegislature.gov/lpro/Publications/AirQuality.pdf> (last accessed Nov. 11, 2017).

Even with industry's relatively small contribution to air pollution, DEQ has proposed a program that would devastate many Oregon businesses and communities by imposing emissions thresholds many times more stringent than similar programs in other states. We have communicated these concerns in detail through our coalition during Cleaner Air Oregon Rules Advisory Committee meetings, agency meetings, and in formal comments. None of our concerns should come as a surprise to the agency.

As we have clearly articulated as an association or through the Oregonians for Fair Air Regulation Coalition comments, OHA and DEQ's proposed Cleaner Air Oregon program is the wrong approach for the following reasons:

- **Oregon businesses should not be regulated on the basis of emissions they don't emit, and concentrations at receptors that don't exist.** To derive toxicity, DEQ's proposed program proposes to use hypothetical air emissions and hypothetical receptors that lead to highly exaggerated risk levels that mislead the public. Using monitored air emissions to regulate businesses should be encouraged as an alternative to imprecise air modeling.
- **Oregon businesses should not be penalized for the actions of their neighbors or for following land use laws.** DEQ proposes to regulate businesses based on air emissions from their neighbors. This puts businesses in the awkward position of suffering increased regulation because they were located near one-another in industrial zones as required by Oregon's land use laws.
- **DEQ's program should be based on likely health outcomes, not unrealistic hypothetical standards.** DEQ proposes to regulate business under highly unrealistic presumptions such as one person remaining in one location for 365 days a year over 70 years. Yet, DEQ fails to account for the very real health impacts of unemployment and poverty.

DEQ's proposed rule does not work and will create a program within an agency that cannot meet DEQ, the regulated businesses, or community's needs. This Legislature now has a choice to either fund an overly aggressive program outside of the mainstream regulatory approaches or help develop a mainstream program that the agency can actually implement.

**OBI believes SB 1541 is the appropriate solution that provides balance and certainty.** Oregonians deserve both clean air and a healthy economy. While SB 1541 would create new costs on business, it would set reasonable health protective benchmarks and provide regulatory certainty to many important regional employers.

More specifically, SB 1541 does a number of things, including:

- Establishes a thoughtful and attainable health-based program requiring businesses to take action if they pose unreasonable risk to communities.
- Sets new, aggressive health-based benchmarks to protect public health. Health standards that are supported by federal and state science.
- Provides businesses and the DEQ certainty in how to reduce risk that supports community and employee concerns.
- Improves community access to good information and timely results.

- Holds business accountable – requiring industry investments to reduce emissions.
- Closes the “gap” in regulations and ensures that businesses of all sizes reduce and eliminate unreasonable risk from our communities.
- Ensures that all businesses posing unreasonable risk make investments in state-of-the-art, best available control technology that will improve the air for our communities.
- While most business are responsible, and good community partners, SB 1541 holds bad actors accountable and requires controls that reduce their emissions.
- Provides DEQ needed resources to strengthen its air programs. As made clear in a recent Secretary of State audit, DEQ continues to struggle with managing its workload and budget constraints. SB 1541 directs DEQ to identify and regulate industry more efficiently and must provide the necessary resources that help them accomplish their mission of, “restoring, maintaining and enhancing the quality of Oregon’s air, land and water.”

In short, Oregonians deserve the certainty provided through SB 1541. It sets mainstream health protective standards that work for businesses and communities.

DEQ’s proposed rule would not produce fair air regulations for Oregonians. The Legislature should pass SB 1541 and reject SB 1508.