

OREGON
BUSINESS
& INDUSTRY



POLICY PRINCIPLES

2022

These policy principles will guide Oregon Business & Industry (OBI) as we represent our members and the broader Oregon business community throughout the 2022 legislative session.

The principles are focused on the policies that will be critical as Oregon's economy continues to recover, getting people back to work and restoring the financial stability of families across our state. We believe that the single most important ingredient to a successful economic recovery is a healthy and vibrant business community. Business investment and activity leads to job creation, and quality jobs translate to more stability for Oregon families – and stable tax revenue for important government services. These policies are focused on actions that will impact Oregon's struggling business community as we get back on our feet.

The OBI Board of Directors has adopted these principles to guide our staff as they advocate for members throughout the state of Oregon during the 2022 legislative session. Thank you for your support – and for joining our effort to rebuild an even stronger Oregon.

Approved by OBI Board of Directors
February 2022

INTRODUCTION

In 2022, the Oregon Legislature will continue to face unprecedented challenges.

- They will be faced with maintaining economic recovery as businesses and the state continue to reopen.
- They will face a continuing imperative to address racial equity issues that have been the focus of conversations at the national, state, and local levels.
- They will be rebuilding relationships following a deeply divisive long session and short session on redistricting.
- With the Capitol under major constriction for seismic upgrades, they will still have to conduct business in a manner that complies with COVID-19 safety protocols, which means limited in-person interactions – with each other, with staff and with the public.

In the face of these continued challenges, OBI urges the 2022 Legislature to focus on policies that will invest remaining federal dollars on programs supporting those hit hardest by the pandemic, assist communities in need of help, and achieve recovery with an equity lens. They must eschew any actions that will increase the regulatory and financial burden already being carried by Oregon's employers.

Recognizing that the business tax increases imposed in 2019 have limited the state's ability to compete for business investments and jobs and has helped bring in record funds available for the biennium, lawmakers should make an affirmative decision not to raise new taxes and ensure that one-time funds are not used to create unsustainable long-term spending needs. Rather, they should adopt a fiscal plan that reorders spending priorities, focusing on programs critical to Oregonians during this time of need. New programs should be off the table, and regulatory burdens should be carefully assessed to determine whether they are helpful – or harmful – to job growth.

Additionally, the Legislature must make every effort to ensure the public can robustly engage in the development of policies that will impact them. Extra time should be built into the process for evaluating those bills that do move forward to ensure a thorough public review at every stage.

At the end of the day, transparency and public engagement should not be sacrificed for expediency, even in this unprecedented crisis. We urge the legislative leadership to reaffirm their commitment to Oregon's tradition of fair and open processes as they make plans for the 2022 legislative session.

EDUCATION AND WORKFORCE DEVELOPMENT POLICY

The COVID-19 pandemic has made it clear that Oregon legislators must continue to prioritize access to in-person education during the upcoming 2022 legislative session. All of OBI's 1,600+ members rely on the effectiveness of our public education system, from pre-K through postsecondary. To continue to recover economically, our students must remain in the classroom and need-based aid programs that support postsecondary students must be fully funded. New legislation must consider the supports Oregon students will need as many recover from academic deficits due to challenges with nontraditional learning platforms.

In 2022, OBI's education priorities will include:

Protect Post-Secondary Success for all Oregonians: Oregon employers depend on our state's public education system to produce an educated workforce. We must recognize that the face of post-secondary education in Oregon has changed. If we want to protect opportunities for Oregon's Black, Indigenous and people of color (BIPOC) communities, the state should maintain thoughtful investments in our higher education institutions and need-based aid programs. The state must prioritize increasing funding to post-secondary institutions with current resources before giving dollars to new projects.

OBI supports development of postsecondary options that provide credentialing or training for Oregonians to be prepared for the workforce, including removal of barriers to transferring credits earned in high school, especially through a career and technical education (CTE) Program of Study, to four-year colleges and universities. Support legislation that helps align credit options resulting in reduced student debt.

Workforce Development: Businesses around the state in all sectors are facing a workforce shortage. OBI supports using remaining American Rescue Plan Act (ARPA) dollars to invest in modernizing our apprenticeship programs, increasing adult learner grants, and investing in new technology. This is our chance to make needed investments to help retrain and retool our workforce. These types of investments will set up workforce development programs for success in the future.

Transparency and Accountability: Support the implementation of provisions in existing and new legislation that require transparency in spending across the education system, from the Oregon Department of Education to each school district. Every dollar should be accounted for and tied to a measurable outcome for Oregon's students.

Prioritize Education Stability: Stabilizing the entire education continuum must be a priority in every budget cycle. The state's budget writers should focus on maintaining critical programs, and serving students most adversely impacted by distance learning, including low-income students and special learners. New programs should not be launched unless they are determined critical, and their costs are covered by reductions in other portions of the overall budget. We must also encourage legislators to evaluate existing programs to determine effectiveness when making budget decisions. Cost savings and good governance goals can be achieved through rigorous evaluation of underperforming programs.

Equity and the Digital Divide: The current economic and health crisis has exacerbated educational inequities for low-income and rural students that do not have reliable access to distance learning. OBI supports legislation that strengthens distance learning programming, including public-private partnerships that facilitate the connection between marginalized students and their teachers. OBI recognizes that minority communities continue to be underserved by our existing education system and supports programs to close the achievement gap affecting students across our state.

Student Success Act (SSA): Support legislation that ensures appropriate oversight of Student Success Act (SSA) expenditures and holds the Department of Education and school districts accountable to stated goals and outcomes. OBI believes any amendments to the accountability measures (testing, etc.) should accurately track student and teacher progress to keep programs on schedule and increase graduation rates. When possible, encourage districts to utilize funds for increased access to science, technology, engineering, math (STEM) and (CTE) programs, as well as financial literacy education. The SSA also includes innovative accountability measures for districts, which OBI strongly supports. To the extent that projected funding for the SSA falls short of projections for the biennium due to the recession, OBI will support efforts to maintain existing programs but delay new ones until adequate economic recovery is achieved.

Continuation of CTE/STEM Investments: OBI supports continuation of CTE/STEM policies that include but are not limited to, weighted funding, continued funding for revitalization grants, teacher licensure pathways, regional hubs, and course equivalency standards. The Legislature must encourage the department, and districts, to adopt career readiness goals that all Oregon students can benefit from.

ELECTION AND CAMPAIGN POLICY

Campaign finance contribution limitations will continue to be an Issue throughout 2022. The outcome of this effort is critical to every Oregonian. Candidates must have fair access to funding, regardless of their parties or political philosophies.

OBI's engagement in these efforts will be guided by these principles:

- Campaign contribution limitations should be fair and should not discriminate against potential donors. They must ensure a level playing field where all donors—individuals or entities—are treated in the same manner, with the same opportunities and the same limitations.
- Campaign contributions limitations must be designed to ensure that all candidates can raise adequate money to finance viable campaigns, regardless of party or political philosophy.
- New laws impacting campaign donations must provide adequate opportunity to grandfather existing Political Action Committee (PAC) funds and to adjust to new requirements.

EMPLOYMENT PRACTICES POLICY

Even before the mandates of the COVID-19 pandemic response, employers were already reeling from a multitude of policy changes impacting their operations. In just the past five years, employers have been asked to adjust to a complex minimum wage law, paid leave mandates, pay equity, scheduling laws, limits on working hours, expanded liability for employee lawsuits and many more regulatory directives from state agencies. Employers are struggling to recover from the last two years and are facing serious labor shortages. For 2022, we will urge the legislature to help businesses in their recovery efforts and not to put new regulatory or cost burdens on them.

Policy positions OBI will take include:

WORKERS' COMPENSATION

SAIF: Oppose legislation that in any way weakens the financial position of SAIF or reduces its ability to fulfill its statutory mission to make workers' compensation insurance available to as many Oregon employers as possible.

OBI's position includes but is not limited to:

- Any payment by SAIF to the Public Employees Retirement System (PERS) or any other government entity.
- Any reduction in the SAIF capital account.
- Any encumbrance on or use of future revenue streams.

Workers' Benefit Fund: Oppose legislation that reduces or encumbers the Workers' Compensation Benefit Fund.

Workers' Compensation: Support the Management Labor Advisory Council (MLAC) process. Oppose legislation not approved by MLAC. Oppose legislation that would create presumptions for coverage. Support exclusive remedy protections for all Oregon employers. Support a strengthened Managed Care Organization structure. Support current definitions of "attending physician." Oppose proposals to expand "attending physician" status to physician assistants and nurse practitioners. Oppose legislation that would harm or eliminate self-insurance.

UNEMPLOYMENT

Unemployment Insurance Benefits: Support strengthening provisions for denial of UI benefits for workplace misconduct and oppose the expanded use of UI benefits beyond their intended use, including legislative "sweeps" of UI funds, diversion of UI funds for striking workers or employees on family or medical leave, or for job training purposes. Oppose legislation or rules that eliminate the work-search requirement for UI eligibility.

Unemployment Insurance System: Support legislation that protects the integrity and solvency of the Unemployment Insurance (UI) Trust Fund while maintaining a stable and predictable tax structure.

SAFETY AND HEALTH

Oregon OSHA: Oppose expansion of Oregon OSHA authority to cite or penalize employers. Oppose increased Oregon OSHA enforcement staff unless it is preceded by an increase in consultation staff. Continue to oppose any effort by the division to act outside of its regulatory authority.

Safety and Health: Support policies and legislation that are consistent with the Oregon Court of Appeals ruling in *OSHA v. CC&L Roofing*, where the court found that employers are not liable for supervisor misconduct. Oppose any rulemaking, regulatory action or legislation that undermines the basic principle that employers should not be liable for employee misconduct.

EMPLOYMENT AND LABOR

Attorney Fees: Support proposals that provide for prevailing party attorney fees. Support proposals that allow attorney fees for employers in merit-less cases.

Concurrent Leave Laws: Support legislation that more closely aligns all Oregon leave laws with federal leave laws to ease unnecessary administrative burdens on Oregon employers. Oppose any additional regulatory burdens.

Discrimination: Support general principles of non-discrimination and existing laws. Oppose expansion of causes of action. Oppose legislation that would expand definition beyond current law. Oppose legislation that would create greater burdens of proof for employers.

Family Leave: Support aligning paid family and medical leave with Oregon Family Leave Act and federal Family Medical Leave Act to create consistency for employers. Oppose expansion of employer-paid leave mandates.

Labor: Support the right of employees to engage in fair and secret ballot elections in union organizing campaigns. Support the right of employers to communicate their views on unionization with their employees and an election process that gives employers adequate time and a fair opportunity to convey their views. Oppose legislation or regulation, including card check systems, which limit the ability of workers to vote in a secret ballot union election. Oppose any expansion of employee rights to use employer resources for purposes of organizing or other union-related activity.

Non-compete agreements: Oppose legislation that would eliminate the ability of businesses to protect trade secrets through enforcement of non-compete agreements.

Overtime: Support a flexible weekly overtime standard that mandates overtime payments for all hours worked in excess of 40 per week without requiring redundant extra pay for daily and weekly overtime. Support legislation that restores employer flexibility and does not restrain the ability of employees to work overtime if they so choose. Support the right of employers and employees to agree to overtime and maximum working hours.

Pay Equity: Support legislation that prohibits pay discrimination based on the ten protected classes listed in Oregon's equal pay law while allowing pay differences based on any non-discriminatory reason.

Penalty Wages: Support legislation that limits liability for penalty wages when there is a dispute over wages due after an employee has left employment.

Personnel Information: Support appropriate personnel file policies that protect the secrecy of confidential workplace investigations.

Preemption: Support statewide preemption of local government employment-related mandates.

Private Right of Action: Oppose expansion of private rights of action in statute. Support requirements that complaints be filed with state agencies prior to right to sue. Oppose legislation that allows for unions and trial lawyers to file suit outside of existing processes.

Scheduling: Support legislation that allows employers and employees flexibility in scheduling work hours, as well as meal and rest break periods.

Wage and Hour: Support legislation that creates sensible policies around meal and rest breaks that provide employees with flexibility without undue penalties for employers.

Workplace Drugs and Alcohol: Support policies and legislation that support an employer's right to apply and enforce zero-tolerance workplace drug and alcohol policies. Oppose policies and legislation that weaken or undermine the Oregon Supreme Court's decision in *Emerald Steel Fabricators v. BOLI (2010)*. Oppose legislation that would encumber employers' abilities to enforce zero-tolerance workplace drug and alcohol policies or employer drug testing policies.

Workplace Regulation: Oppose expansion of employer liability through new and expanded protected classes and activities.

ENERGY, ENVIRONMENT AND NATURAL RESOURCES

ENERGY AND ENVIRONMENT

Businesses have long demonstrated their commitment to preserving our state's environment and natural resources, while also providing critical necessities like energy, food, products and jobs. Many have acted ahead of regulations to voluntarily adopt business practices and controls that reduce their environmental impacts. Companies remain dedicated to operating in a manner that benefits Oregon's people and economy while also promoting and improving Oregon's natural environment.

However, Oregon's regulated community is taking on more than ever before. Increased stringency in new, expanding and existing regulatory programs are demanding that businesses make costly investments in response to increasingly complex and difficult-to-navigate regulatory schemes. It is important that regulatory requirements do not unduly burden Oregon businesses or place them at a competitive disadvantage, and it is important to ensure that any requirements that are put in place result in actual environmental benefits.

OBI's policies for energy, environment, natural resources, air and water policy will be guided by these principles:

Climate Policy: OBI recognizes that climate change is real, and the business community plays an important role in leading a lower-carbon economy and we support state greenhouse gas emissions reduction policies that:

- Result in actual global greenhouse gas reductions
- Are not used as a general revenue source
- Are focused on positive environmental and economic outcomes
- Are fair and affordable for all Oregonians
- Do not result in a competitive disadvantage to Oregon businesses
- Do not focus on a single sector of the economy
- Address the unique challenges of Oregon's diverse business sectors
- Are commensurate with the state's emissions relative to global emissions and goals
- Nurture Oregon-based innovation
- Include adaption and mitigation strategies for long-term planning
- Provide regulatory and compliance certainty for businesses

Biofuels, Renewable Fuels, Biomass and Energy Recovery: Support state and federal incentives to promote use of biofuels, renewable fuels, and biomass, and oppose new laws and regulations that burden the utilization of these fuels and/or energy recovery from otherwise discarded or disposed material.

Chemical Use Laws: Support advancing the safe and responsible use of chemicals, including chemical laws that are based on sound science and recognize that many public health and consumer protections safety regulations are currently in place. When sound science identifies the need for chemical regulations, we support state-based laws that are consistent with federal laws and not unnecessarily duplicative. Oppose the addition of burdensome, state-specific regulations that do not align with other state and federal regulations.

Consistent Regulatory Authority: Support state-level, consistent, and uniform application of delegated air, water, clean up and energy regulatory and permitting authority. Oppose new, expanded or duplicative regulatory overlays at the local level.

Permitting and Other Fees: Fee structures should support regulatory certainty and serve the needs of the regulated community. Fees must support workable and reasonable permit programs vetted by industry and processed with clear conditions and timelines to minimize impact on business operations. Oppose fee increases that are not accompanied by proportional increases in non-fee funding, if a program does not meet the needs of the regulated community, or if used for unrelated/non-beneficial state activities or pass-through surcharges for other state agency activities. Oppose fees without reasonable basis in environmental benefits or are inequitable among regulated entities. Oppose layering of additional local fees that impose unreasonable cost burdens or are duplicative of existing program fee structures.

Energy Infrastructure: Support cost-effective state and federal policies that encourage, streamline, and facilitate the planning, permitting, and construction of upgraded, expanded, and new electric, natural gas and alternative energy infrastructure that sustain Oregon's energy needs and provide for future economic development.

Food Innovation: Support policies that advance Oregon's food and beverage industry in the areas of research and development/technical assistance, workforce development, distribution infrastructure, market development, and government regulation.

Forest Resilience: Support the role active forest management plays in addressing and preventing tree-related disease, increasing forest productivity, reducing the risk of catastrophic wildfire, and providing both commodity and non-commodity values.

Franchise Taxes: Ensure any expansion/increase of franchise taxes demonstrates benefit to consumers to warrant added cost burdens.

Government Procurement Protocols: Oppose the imposition of unnecessary or unduly burdensome requirements on governmental purchasing protocols.

Maintenance of Regulatory Application for Departments of Agriculture and Forestry: Support the current regime wherein environmental activities relating to agriculture and forestry are regulated by their respective departments.

Mass Timber: Support policies that encourage the development and use of mass timber products.

Oregon Agricultural Heritage Program: Support voluntary, statewide incentives that encourage agricultural landowners to keep land in agricultural protection while supporting fish, wildlife, or other natural resource values on those lands.

Renewable Portfolio Standards: Support renewable power and allow increased flexibility within the portfolio with appropriate rate protections in place.

Tax Incentives for Additional Environmental Investments: Support tax incentives for additional environmental investments that exceed federal requirements, improve environmental outcomes and/or enhance Oregon's economy.

AIR POLICY

Consistent Regulatory Authority: Support state-level, consistent, and uniform application of delegated air, water, clean up and energy regulatory and permitting authority. Oppose new, expanded or duplicative regulatory overlays at the local level. Programs must be consistent with the underlying statutes and not seek to expand DEQ authority beyond that delegated by the Legislature.

Objective and Consistent Regulation: Support unbiased and prompt processing of state and federal permits and other actions.

New State Environmental Impact Statements: Generally, oppose imposition of new layers of regulatory oversight and permitting, opposing a state Environmental Impact Statements program.

Ambient Monitoring: Support funding further monitoring of state air quality, so long as increased monitoring is not funded primarily on unreasonable fee increases to the regulated community.

State Delegation of Federal Programs: Support federal delegation of programs to the state level for implementation.

Air Quality Statutes and Regulations: Support air quality laws and regulations that Oregon businesses can comply with, that do not create a competitive disadvantage compared to other states, and do not inhibit economic activity without clearly identified and scientifically supported needs for increased stringency that can be reasonably implemented by regulated entities.

Exceptional Events: Support policies and proactive requests to the Environmental Protection Agency (EPA) to exclude ambient monitoring data influenced by natural events, such as wildfires, to provide a representative dataset to use in air permit applications to ensure industry is not penalized for events outside of industry's or DEQ's control.

Permitting and Other Fees: Fee structures should support regulatory certainty and serve the needs of the regulated community. Fees must support workable and reasonable permit programs vetted by industry and processed with clear conditions and timelines to minimize impact on business operations. Oppose fee increases that are not accompanied by proportional increases in non-fee funding, if a program does not meet the needs of the regulated community, or if used for unrelated/non-beneficial state activities or pass-through surcharges for other state agency activities. Oppose layering of additional local fees that impose unreasonable cost burdens or are duplicative of existing program fee structures.

Core Regulatory Programs: In light of limited funding, it is important to prioritize core regulatory programs over emerging programs that increase regulatory requirements and stretch DEQ staffing. Oppose new regulatory programs that are not scientifically supported or do not seek to resolve environmental challenges first through existing regulatory channels.

WATER POLICY

Consistent Regulatory Authority: Support state-level, consistent, and uniform application of delegated air, water, clean up and energy regulatory and permitting authority. Oppose new, expanded or duplicative regulatory overlays at the local level. Programs must be consistent with the underlying statutes and not seek to expand DEQ authority beyond that delegated by the Legislature.

Objective and Consistent Regulation: Support unbiased and prompt processing of state and federal permits and other actions.

Water Storage and Delivery: Support innovative solutions to address increasing competition for scarce water resources that balance the needs of irrigated agriculture, municipal and industrial demand, hydropower, and sustainable fisheries. This includes continued investment in infrastructure for new storage, withdrawals from the Columbia River and other rivers to improve efficiency.

New State Environmental Impact Statements: Generally, oppose imposition of new layers of regulatory oversight and permitting, opposing a state Environmental Impact Statements program.

Effluent Trading/Market Development: Support creation and use of voluntary and equitable trading and market-based options for effluent reductions and habitat improvement.

Ambient Monitoring: Support funding further monitoring of state water quality, so long as increased monitoring is not funded primarily on unreasonable fee increases to the regulated community.

Water Quality Statutes and Regulations: Support water quality laws and regulations that Oregon businesses can comply with, that do not create a competitive disadvantage compared to other states and that do not inhibit economic activity without clearly identified and scientifically supported needs for increased stringency that can be reasonably implemented and achieved by regulated entities.

Permitting and Other Fees: Fee structures should support regulatory certainty and serve the needs of the regulated community. Fees must support workable and reasonable permit programs vetted by industry and processed with clear conditions and timelines to minimize impact on business operations. Oppose fee increases that are not accompanied by proportional increases in non-fee funding, if a program does not meet the needs of the regulated community, or if used for unrelated/non-beneficial state activities or pass-through surcharges for other state agency activities. Oppose layering of additional local fees that impose unreasonable cost burdens or are duplicative of existing program fee structures.

State Delegation of Federal Programs: Support federal delegation of programs to the state level for implementation.

Core Regulatory Programs: In light of limited funding, it is important to prioritize core regulatory programs over emerging programs that increase regulatory requirements and stretch DEQ staffing. Oppose new regulatory programs that are not scientifically supported or do not seek to resolve environmental challenges first through existing regulatory channels.

HEALTH CARE POLICY

In recognition of the unprecedented health care crisis our nation and world has faced in recent months, OBI encourages health care-related legislation during the 2022 legislative session that both ensures stable access to high-quality health care for Oregonians and reduces the total cost of care. Businesses are attempting to recover from the lingering consequences of the pandemic. Now is the time to stabilize the economic environment, including the healthcare system, and allow time for the transformative measures of the Cost Growth Target, Value Based Payments and Oregon Health Plan expansion to work through the system to better understand their actual impact and Oregon's needs moving forward.

Policy principles will include:

Addressing Disparities in Health Care: Support legislative efforts to evaluate and address disparities across the health care system. OBI recognizes that all Oregonians are not served equally in our state health care system. The COVID-19 pandemic has impacted communities of color disproportionately, and long before that, health outcomes between racial groups has been inequitable.

Access and Quality of Health Care: Promote efforts to contain health care costs and improve access to high-quality health care by supporting a health care system that is affordable and improves the overall health of Oregon citizens. Support efforts to address social determinants of health and improve health equity. Promote efforts to reduce medical errors and expand the use of Oregon's Early Discussion and Resolution program. Support legislation that evaluates the ongoing effectiveness of expanded telehealth and scope-of-practice policies that proved to be effective during the COVID-19 pandemic.

Cost of Care and Shift to Employers: Support policies and initiatives that address health care coverage of the underinsured and uninsured without penalizing or shifting costs to employers. Protect ERISA provisions for self-insured plans; defend and preserve employer health plans against efforts to tax premiums or claims. Oppose any efforts that may raise the cost of insurance, prescription drugs or other necessary health care. Carefully evaluate new and existing mandates on employers. Continue to support cost transparency efforts that apply to system-wide healthcare.

Public Option: OBI recognizes the need to expand access to care for individuals who do not qualify for Medicaid and cannot afford current individual market options. Legislators should look at options that leverage current coverage and delivery systems to expand access to individuals but not at the expense of additional taxes or fees on employers. OBI will consider supporting proposals that have minimal disruption to the group and individual insurance market and incorporate long-term, cost neutral strategies that improve access to care, drive savings throughout the system, and reduce cost-shift to employers. However, there needs to be adequate time for input and robust discussion on any Public Option proposal.

Oregon Health Plan (OHP): As the economic recovery continues, OBI recognizes the need to support coordinated care organizations (CCOs) and efforts to ensure the Oregon Health Plan (Medicaid) has adequate, sustainable, broad-based funding. Legislators must acknowledge that OHP funding is tied to the overall health of our economy, and this is not the time to raise additional revenue from businesses struggling to make ends meet. Coordinate with OBI Tax and Fiscal Policy Committee on matters that intersect with health care costs and funding mechanisms. OBI is also watching for a smooth transition of the exchange from the Department of Business and Consumer Services to the Oregon Health Authority with no substantive changes.

Advanced Value-Based Payment (VBP) Models: OBI recognizes the growth rate cap established and principles adopted by the Sustainable Health Care Cost Growth Target Implementation Committee. As the state moves toward recommending value-based payment models as opposed to fee-for-service models, OBI will advocate for additional public transparency

related to the total cost of care that can allow policy makers and Oregon businesses to accurately benchmark the cost of healthcare. Additionally, it is critical that any requirements around VBP models ensure maximum flexibility, recognizing that a one-size-fits-all approach will not work. Advocate for legislation that advances value-based payment concepts and ensures future legislation does not continue to advance fee for service payment structures.

Cost Growth Rate Target Enforcement: Continue to monitor the work of the Cost Growth Target Advisory Committee. Implementation must include mechanisms for better transparency, reporting, and accountability. Enforcement must recognize the challenges our health care system has faced during the pandemic. Additionally, it is critical that any enforcement authority be clear to all stakeholders and approved by the Sustainable Health Care Cost Growth Target Advisory Committee. OBI has long supported reducing unnecessary costs and increasing transparency of cost-drivers across the system.

Decrease Tobacco Use in Oregon: Support a comprehensive approach to decreasing the state's tobacco use, including smoking and chewing tobacco, and vaping/e-cigarette use.

Association Health Plans: Retain, enhance, and expand employer private market options such as Association Health Plans (AHPs) as a viable solution to fulfill and serve the healthcare insurance needs for employers and their workforce.

RETAIL POLICY

In recent years retailers have been asked to pay ever-increasing costs of doing business while seeing much of their traditional business shrink. They have invested heavily in new technology and service delivery models in very short timeframes to continue to serve their customers. Government should focus on helping with those difficult transitions, not impose additional costs on the delivery of services and supplies. Our primary policy principles for 2022 will be to ask the legislature not to add to the costs of doing business for retailers, such as new taxes and regulations.

Our policy principles will include:

Consumer Protection: Support consumer protection legislation that addresses narrowly defined, specific, and empirically proven dangers and that would make a meaningful difference.

Consumer Privacy: Support public policies that support the retail industry's need to protect consumer privacy while providing the flexibility necessary for innovative use of data. Our key principles when evaluating privacy legislation will be:

- Enforcement by the attorney general, not private rights of action
- Right to cure before enforcement action is taken
- All entities responsible for consumer data should have the same obligations
- Preserve customer service, convenience and benefits – rewards and loyalty programs
- Regulations should be linked to risk of harm
- Consumers should have reasonable choice, access, correction and deletion rights with respect to their personal information.
- Retailers should be given flexibility and options for compliance measures

ORGANIZED RETAIL CRIME

Crime Prevention and Enforcement of Laws

- Support legislation creating dedicated prosecutors to address organized retail crime.
- Support legislation establishing an attorney general task force to combat crimes related to stealing, embezzling or obtaining by fraud, false pretenses or other illegal means of retail merchandise.
- Support legislation establishing shared resources and information across federal, state and local law enforcement agencies to combat retail crime.
- Support additional funding for law enforcement and prosecution of organized retail crimes.

Counterfeit and Stolen Merchandise

- Support legislation and systems to verify that products sold on online marketplaces have been obtained by legitimate means.
- Support legislation and systems to verify the identity of third-party sellers and require high-volume sellers to disclose contact information to consumers.
- Support legislation that would increase penalties for individuals who manufacture and/or sell counterfeit merchandise to consumers. Such counterfeit goods not only affect the bottom line of honest merchants, but certain products also pose a serious health threat to the consumers who use them.

Credit and Finance: Oppose efforts to inhibit the flow of information necessary to render appropriate decisions for every customer and meet their preferences.

GENERAL RETAIL POSITIONS

OBI and the Oregon Retail Council Support

- The use of biometric data for drivers' licenses
- Manufacturer responsibility for electronic product stewardship recycling
- A security freeze on credit for victims of identity theft
- Increased penalties for shoplifting
- Business flexibility and expanded timelines for implementing new policies

OBI and the Oregon Retail Council Oppose

- Expansion of the Unlawful Trade Practices Act
- Market controls such as policies about price discrimination
- Point-of-sale purchasing requirements
- Policies that limits retailer conveniences for customers
- Bans of specific classes of retailers
- Packaging bans
- New labeling laws
- Pesticide sales reporting
- Broad manufacturer and retailer product stewardship programs
- Additional tax burdens on businesses, particularly retailers

TAX AND FISCAL POLICY

Given the continued economic uncertainty around Covid, and the recognition of significant tax increases over the last two years at both the statewide and local levels, OBI's Tax policy priorities will remain largely unchanged. OBI's priorities here will continue to focus on protecting Oregon's employers and their employees by working to stop all attempts to raise existing taxes, create new taxes, or reduce or eliminate important tax incentive programs.

Similarly, OBI will continue to advocate for clear-headed restraint related to public spending for new or expanded state programs or services. OBI will also continue to insist that one-time monies from the federal government related to Covid economic recovery in Oregon be used for one-time investments only, and not to stand up new programs which will require new future revenue sources to sustain.

OBI's position and taxes and spending will be guided by these principles:

- **Do no harm.** Raising businesses taxes and fees, given the continued economic uncertainty around Covid (including workforce and supply-chain challenges) and the significant tax increases already incurred over the last two years, should be off the table.
- **Protect the projected 2021-2023 ending balance of \$3.7 billion.** Dedicate it to maintenance of critical state services in future biennium. Manage future budget requests sensibly.
- **Use federal funds sensibly.** The state has received considerable Covid-relief funds from the federal government, and still has nearly \$2 billion in American Rescue Plan Act (ARPA) funds in reserve. These monies must be used for one-time investments toward economic recovery and stability, not toward new programs/services which may require future revenue sources to fund continuous operation.
- **Focus on economic growth.** Promote public policies that support job creation, private investment, innovation, employer retention and a positive business climate. Recognize that a thriving private sector is the best way to sustainably support and fully fund Oregon's critical public sector needs.

2022 Tax Policy Positions

- Oppose all temporary or permanent business tax increases
- Recognizing the increasing burden on personal taxpayers, as well as pass-through business entities both statewide and at the local level, oppose temporary and permanent increases to the Oregon personal income tax
- Evaluate future changes to federal tax code on case-by-case basis to determine further connection
- Support tax credits/incentives for economic development and business investment
- Support alignment of state and local tax structures and compliance requirements
- Oppose CAT increases/support efforts to reduce pyramiding effects
- Support interim review of property tax system to make recommendations to the 2023 Legislature. Oppose any proposal to change Oregon's property tax structure that disrupts the balance between business property taxpayers and personal property taxpayers
- Promote economic growth agenda (job creation, private investment, employer retention, innovation and a positive business climate)

2022 Budget Policy Positions

- Support prioritization of existing critical programs
- Delay costly new initiatives

- Ensure that one-time monies from federal government related to Covid relief are used only for one-time expenditures
- Urge the Legislature to continue to look for opportunities to reduce the cost of legacy programs, such as PERS and PEBB, which impact not only state budgets but also local government budgets

MANUFACTURING POLICY PRINCIPLES

It's been several years since OBI has offered specific policy priorities and principles focused directly on manufacturing. As part of OBI's 2021 rollout of the Manufacturing Council of Oregon (MCO), OBI will embrace a renewed and focused pro-manufacturing advocacy effort. OBI recognizes the vital and integrated importance of manufacturing in Oregon, including recognizing that manufacturing jobs can and will create equitable top-tier opportunities for advancement for Oregon workers and families, as well as a thriving economic and business climate that will help produce revenues for critical public services.

OBI/MCO's broad mission is to protect, promote and grow a positive, globally competitive business climate for manufacturing and related industries throughout Oregon. Our efforts through the MCO, working with a broad base of diverse stakeholders, makers and innovators, will be dedicated to providing opportunities, removing barriers, and creating the jobs that fuel Oregon's economy and quality of life.

2022 Manufacturing Policy Positions

- Ensure that Oregon provides a sustainable, globally-competitive environment which supports a diverse manufacturing sector by fostering capital investment, innovation, research and development, employment opportunity and workforce training
- Promote a tax and regulatory environment that encourages manufacturing investment, innovation and growth
- Promote local, state and regional infrastructure improvements to facilitate shipping, surface transportation and port access/throughput to enhance access to regional, national and global markets
- Improve career manufacturing employment opportunities through enhanced investment and support of career and technical education and promotion of education-workforce-employer collaboration
- Promote sustainable land-use and energy policies that ensure Oregon manufacturers have cost-effective access to the resources necessary to compete in regional and global markets
- Oppose policies that would create unnatural competitive disadvantages or endanger proprietary information for manufacturers, including "right to repair" policies

TRANSPORTATION

Investment in Oregon's transportation infrastructure is a critical need to move both people and freight to support our state's economic growth. High priority projects included in the 2017 transportation package have yet to be funded and must be implemented to ease congestion and drive the economy.

The transportation focus continues to be investments in physical infrastructure through getting projects funded and built. The passage of HB 3055 in 2021 provided additional support for funding infrastructure projects in the region through additional authorization and direction for tolling programs. Engaging in tolling implementation to ensure it realizes revenue needs and is equitably carried out will be a continuing need. Given the challenges facing transportation as a result of the COVID-19 pandemic, it is critical that new policies and revenue structures not create undue burdens on the sector as it continues to support the movement of goods and our economy.

INFRASTRUCTURE POLICY

Infrastructure Improvements: Support expanded and enhanced multimodal transportation infrastructure to improve both people and freight mobility as necessary to support statewide economic growth.

Interstate Bridge: Support collaborative effort with the state of Washington to replace the Interstate Bridge and advocate for funding mechanisms that do not unfairly burden Oregon businesses.

HB 2017: Support completion of HB 2017 transportation package projects.

Alternative Fuel: Support alternative vehicle infrastructure investment and incentive programs that support existing and new vehicle technologies.

Federal Infrastructure Package: Support passage of the federal infrastructure bill to fund major physical infrastructure needs without tax increases that would harm businesses and workers.

TRANSPORTATION REVENUE POLICY

- **Tolling:** Support tolling that achieves dual goals of managing congestion and raising revenue in amounts that help fund strategic infrastructure projects while balancing revenue needs among transportation system users.

Public Transit: Support revenue sources that fund critical public services that will not place a disproportionate burden on state or regional employers and/or employees. Oppose the creation of new funding mechanisms to subsidize public transit programs throughout the state unless funding is broad-based and tied to the benefits derived by those paying fees or taxes.

Highway Funds: Support long-term, sustainable funding streams for the state's roads, bridges, and resiliency needs. Funding could include equitably increasing the fuels tax and/or vehicle fees, alternative options, and tolling, among others.