

April 12, 2021

To: Co-Chairs Taylor and Reardon  
From: Sharla Moffett, OBI  
RE: OBI Testimony on HB 5516

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**Co-Chairs Taylor and Reardon and Members of the Natural Resources Ways and Means Subcommittee:**

My name is Sharla Moffett and I am Director of Energy, Environment, Natural Resources and Infrastructure for Oregon Business & Industry.

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 250,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

OBI represents nearly every sector regulated by the Department of Environmental Quality. I regularly engage with the department on policy issues affecting OBI members, serve on Rules Advisory Committees to bring the regulated community's voice to the table on rulemaking, policy development and program implementation. Currently, I serve on three advisory committees and have firsthand knowledge of the toll these processes are taking on both the agency and the regulated community.

The relationship between the regulator and the regulated community is not always an easy one. However, we share the important common goals of carrying out DEQ's mission to protect human health and the environment while also implementing regulatory programs in a way that is not heavier handed than necessary.

Given the compounding impact to both agency resources and the regulated community, OBI must draw the committee's attention to two issues we see unfolding at DEQ:

1. We are observing an unprecedented acceleration in rulemaking at DEQ and see the strain on the agency as well as for those trying to monitor and engage in rulemaking. Looking at DEQ's 2021 rulemaking plan, 18 rules are scheduled for adoption this year with about seven more in development for adoption in 2022. Compared to the previous three-year average of rules adopted in a single year (11), the 2021 rulemaking plan represents a 64% increase in rulemaking. Many of these are not narrow, discreet rulemakings. They are complex, major new programs that require significant staff resources to set policy and even more to stand up and implement. And funding ongoing implementation of all this new rulemaking is yet another issue that will need to be confronted.
2. Because of the way DEQ's program areas are siloed, there may be a perception that each program is implemented in a way that is discreet and straightforward. In truth, these programs are very much connected and we are concerned that, without standing back to look at the interaction between these large, intricate programs, how the

programs will fit together and be implemented at the agency, and then how this massive body of complex regulation will be carried out by the regulated sector, we are going to be confronting a lot of VERY serious challenges in the very near future. The point is that looking at individual regulatory programs can appear manageable; however these programs are not only additive but interconnected. When the total cost of pollution control measures for a regulated site is in the tens of millions of dollars to achieve environmental benefits that are not always measurable – we have to question the totality of the work.

It is critical that the rulemaking work being undertaken at DEQ is being mindfully evaluated in a big picture way so that we are aware of the resource implications to carry out the day-to-day operations both for the agency and for the regulated community.

Thank you for the opportunity to comment.