



2/15/2023

The Honorable Kathleen Taylor, Chair
Senate Committee on Labor and Business
Oregon State Capitol
Salem, OR 97301

Subject: SB 159

Chair Taylor, Vice Chair Bonham, and Committee Members:

The members of the National Wildfire Suppression Association (NWSA) as well as members of the Associated Oregon Loggers appreciate this opportunity to respond and make recommendations to the Committee. Many of our members are currently working under USFS contracts for incident response as well as the Oregon Department of Forestry's Incident Response Agreements and provide a turnkey workforce ready to provide additional capacity to do fuels mitigation work and address the backlog of procured service work that urgently needs to be completed for the benefit of all Oregonians.

Our combined membership represents approximately 1000 small businesses and a workforce of over 23,000 that complete a variety of projects including wildfire response, prescribed burning, logging, wildfire recovery and other fuels mitigation work. Our members work under a variety of contracts and agreements both federally and locally.

We have concerns with SB 159, namely the failure to recognize the assets for-profit businesses bring to local communities. The bill contemplates the perceived added benefits to the state by procuring goods or services from non-profits rather than for-profit businesses. Our organizations find it alarming this body fails to recognize the financial and social wellbeing for-profits bring to local communities. Many of our members participate on school boards, coach youth sports, help fund critical community projects, sponsor little leagues and more. Their businesses are



taxed and their employees spend their dollars locally, driving economic stability where they exist. The bill completely discounts these realities and instead, looks to give preference to other entities that provide similar community benefits without the added economic stability because of their reduced taxing requirements and inability to provide large financial donations to capital improvement projects or other community needs outside of their focused mission.

Associated Oregon Loggers' members have gone as far as to raise upwards of \$100,000 every year at our annual Log a Load for Kids Fundraiser at our Annual Convention. All funds raised go to the three Children's Miracle Network Hospitals in Oregon. And the National Wildfire Suppression Association has raised over \$400,000 to benefit the Wildland Firefighter Foundation which supports firefighters and their families injured or killed in the line of duty.

Our organizations fear that SB 159 sets a troubling precedent that could have significant unintended consequences in our members' lines of work. Allowing nonprofits to outcompete for-profits with 10% higher procurement costs could be devastating in the forest contracting space because our expenditures and fixed costs often come dangerously close or even exceed our gross revenues. Even a slight allowance for a certain type of business to charge more for the same or similar work could result in ripple effects throughout the restoration economy.

Instead, we ask the legislature to prioritize investments in workforce development to expand the small business private assets that exist throughout the state. These companies engage in the critical work that needs to be addressed in our forests and we should be promoting the workforce already established to assist in increasing the pace and scale of their accomplishments.

This bill and the new provisions amending ORS 279A.128 giving preference to nonprofits providing goods or services to the state could create undo harm to the private for-profit forest industry. Our sector has the expertise, the workforce and the equipment needed by the state to meet its forest fuels reduction needs.



Furthermore, the bill would create a cumbersome additional layer where a nonprofit would have the ability to ascertain large grants and/or contracts and

then sublet them, pocketing overhead and administrative costs. This would diminish the amount and quality of work being completed because the same amount of money that would otherwise go to the lowest reasonably acceptable bid would have a premium attached to it by the nonprofit. Oregonians would lose out over time by reducing the spending power of their tax dollar.

We would, however, be happy to provide additional support to the committee on this bill and answer any additional questions sought prior to working the bill and moving it out of committee.

Again, thank you for the opportunity to provide testimony.

Sincerely,

Debbie Miley

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