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■ *Since 1956* ■

March 8, 2023

Chair Taylor, Vice Chair Bonham, and Committee Members
Senate Committee on Labor and Business
RE: Senate Bill 850 - Written Testimony in Opposition

Dear Chair Taylor, Vice Chair Bonham and Committee Members:

Moore Excavation, Inc. (MEI) employs approximately 200 motivated, hard-working, and diverse individuals that together complete both public infrastructure projects and similar projects for private owners. We are an open-shop contractor and a registered training agent for laborer and equipment operator apprentices.

Over the course of our 65 years as a proud Oregon contractor we have built with our employees a business and culture where every employee has a voice and where any employee - no matter his or her trade - has the opportunity to learn, grow and pursue greater career opportunities. Many of our employees – whether a laborer, equipment operator, truck driver, or mechanic – have taken advantage of the opportunity to learn, grow and advance to new positions and greater career opportunities. We are proud that many individuals in supervisory or management positions in our company that started their career learning how to install pipe, operate equipment, drive a truck, or service equipment – have moved on to opportunities in other trades or management in our company. We operate largely independent of the “jurisdictional disputes” that can affect a union operation; much to the benefit of our amazing employees.

MEI is emphatically not anti-union. We have worked as a subcontractor for union general contractors and without a project labor agreement (PLA) requirement. We regularly and with no pause contract union subcontractors to help us get the job done; importantly on both public and private projects. We support Oregon’s prevailing wage laws and public works contracting statutes. These laws completely support us as an open shop contractor to provide a level playing field and provide taxpayers the assurance that union or open-shop – the business that most competitively can perform the work, will perform the work.

Many of our state’s laws and regulations serve to protect the public interest, protect contractors, and benefit every individual working in our industry. This proposed bill does not fit into that category and Moore Excavation, Inc. urges a “NO” vote on SB 850.

This bill even with proposed amendments accomplishes nothing more than divide Oregonians.

- **Urban/Rural and Large/Small:** SB 850 leaves rural counties and municipalities, rural contractors, and ALL small and/or emerging or disadvantaged small businesses with burdensome requirements. While our company may not be a “small” business any longer, we still aren’t a giant corporation and we work every day with small, emerging, disadvantaged, minority-owned, and woman-owned businesses. Probably their biggest complaint and challenge is the paperwork and bureaucracy involved in doing public works projects. It can be difficult now to find certified minority-owned, woman-owned, and other disadvantaged contractors willing to bid and participate in public projects as a subcontractor. At a time when reducing barriers to entry for these firms should be a focus, this bill creates new barriers to entry and participation. This bill damages the small businesses working hard to get their foot in the door.
- **Union/Open Shop:** Oregon – maybe unique to many states – has empowered individuals in its politics; be that the initiative process, referendum process, etc. Oregon’s construction industry reflects that respect for the individual. There are absolutely no legal restrictions that prevent any individual – should they choose – from joining a union and working for a union contractor. There are no constraints that prevent any person choosing to enter the construction industry with an open-shop contractor and the training and apprenticeship opportunities offered there. On projects every day, union and open-shop construction workers work side-by-side to build great things together. Spending of tax-payer dollars on very needed infrastructure improvement is very often touted for providing job opportunities.

This bill serves to potentially exclude thousands and more likely tens of thousands of Oregon construction workers from working on projects that their tax dollars help fund – especially if they choose to work for a small business, family business, emerging business, or as an owner/operator. The bill potentially divides union and open-shop contractors/subcontractors where we're effectively working together to get work done safely, cost-effectively, and consistent with the values of our community. Proposed amendments to the bill appear to just create separate standards for union and non-union companies. This bill simply harms the present and future construction workers of Oregon that choose to represent themselves and work for open-shop contractors that respect their individuality, unique skills, and career goals.

- **Public/Private:** Does this bill consider its broader economic/public policy implications? MEI is not unique among many Oregon contractors in that we compete for both public and private projects. The current prevailing wage laws (applying only to public works projects), leave it to both union and open-shop contractors alike – where we compete for both public and privately funded projects – to provide competitive compensation and benefits without mandate on privately funded projects. Residential, commercial and other privately funded construction is a huge part of Oregon's economy and our industry. Current prevailing wage laws substantially influence competitive compensation in private segments of construction.

This bill will likely serve to push more contractors – and especially smaller and disadvantaged contractors – to choose contracting for more private work with less administration, costs, and barriers to success. I'd expect that public projects will become more union contractor dominated, less competitive (with larger and fewer bidders; less subcontractor participation), and more challenged to attract participation from small business; while private projects will become more competitive. There is only so much public spending for construction, and this bill encourages more companies and competition to go away. It would accomplish capturing and monopolizing Oregon's public infrastructure spending for the benefit of not all Oregonians. The possible repercussions for companies and workers excluded seem unclear at best.

Oregon's current prevailing wage laws and public works contracting statutes already provide for the wage, benefit, and worker protections in this bill. They do not discourage competition. They do not exclude Oregon companies. They support higher standards across our industry. They do not specifically favor any particular interest. The same is not true of SB 850.

- **Oregon:** Oregon has in the course of history voiced independence and respect for our citizens. Be that entrepreneur, worker, union worker, union company, open-shop company. No matter your race, creed, ethnicity, background. We will honor and respect you. We completely see where the State has fallen short on the Oregon promise. We simply do not see where the State of Oregon's failures should be imputed to every Oregon contractor and individual working in the hardest working and toughest industry in Oregon. We do not see where a bill before this legislature should divide Oregonians and push a union/open-shop wedge between all the places where our industry brings people together across every demographic.

Our industry faces work force challenges among others. The hard work involved with construction expound these challenges shared with many other industries. Along with other open-shop and union companies, we're participating in job fairs. We're providing employment, internship, and apprenticeship opportunities ahead of legislation and because the future of our industry and our business depends on it. This bill is an extreme government over-reach favoring particular interests rather than the interests of our industry as whole, all who proudly work in construction, and the interests of all Oregonians. Please listen to the testimony representing the disadvantaged businesses that don't have the precious time it takes to testify against this bad idea. Please listen to the counties, cities, and associations aligned against the bill.

This bill does little more than exclude open—shop contractors and the countless Oregon residents that choose to work for great Oregon open-shop companies. It's a bad idea. It hurts great Oregon workers in every, single demographic. It hurts Oregon small businesses and very much construction industry small businesses. It hurts our great rural counties and municipalities. It hurts Oregon tax-payers. It's absolutely contrary to the values of Oregon. Again – please “NO” on SB 850.

Thank you and respectfully,

George Schmidt
Chief Operations Manager
Moore Excavation, Inc.