

## HB 2425 A -A5 STAFF MEASURE SUMMARY

### Senate Committee On Labor and Business

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**Meeting Dates:** 5/13, 5/22

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#### WHAT THE MEASURE DOES:

The measure establishes the 11-member Task Force on Ethical Procurement to devise methods for verifying the identities of manufacturers, distributors, vendors, or suppliers of products that public bodies procure in this state, with particular emphasis on electric vehicles (EV), solar photovoltaic energy systems, and other electric products and ensuring that public bodies do not procure products, including EV, solar photovoltaic energy systems, or other electric products, in which production, including the mining of constituent materials and sourcing of parts, assembly, transportation, or sale of the products used or involved forced labor or oppressive child labor. Sunsets December 31, 2026. Declares an emergency, effective upon passage.

#### Detailed Summary:

Establishes 11-member Task Force consisting of

- two Senators appointed by the Senate President and two Representatives appointed by the Speaker of the House. Legislators are non-voting.
- seven members appointed by the Governor:
  - representative from the office of the Governor,
  - Director of the Oregon Department of Administrative Services (DAS) or a designee,
  - Director of Transportation or a designee,
  - Director of State Parks and Recreation or a designee,
  - State Forester or a designee,
  - Director of the State Department of Energy or a designee, and
  - Director of the Department of Corrections or a designee.
- The Governor will appoint a Chair and Vice-Chair.

Requires the Task Force to devise methods for

- verifying the identities of manufacturers, distributors, vendors, or suppliers of products that public bodies procure in this state, with particular emphasis on electric vehicles, solar photovoltaic energy systems, and other electric products; and
- ensuring that public bodies in this state do not procure products, including electric vehicles, solar photovoltaic energy systems, or other electric products, whether completely assembled and finished or as new or replacement parts or components, in which production, including the mining of constituent materials and sourcing of parts, assembly, transportation, or sale of the products used or involved forced labor or oppressive child labor.

Requires the Task Force to

- review solutions and best practices that are available from public and private entities and devise other solutions if necessary,
- identify obstacles and challenges and recommend methods for overcoming the obstacles and challenges,
- evaluate evidence of the effectiveness of existing solutions and best practices and recommend the most effective solutions or practices,
- devise criteria for testing the effectiveness of new solutions,
- identify needed technologies, processes or other resources, and

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- investigate, evaluate, and predict how implementing the solutions and best practices that the task force recommends will affect the procurement practices of public bodies and the availability of goods and services for public procurement, including electric vehicles, solar photovoltaic energy systems, and other electric products.

Permits the Task Force to take testimony, conduct studies, consult experts, require public bodies in this state to produce reports or other materials to aid in the Task Force's investigations, and otherwise engage in activities needed to carry out its responsibilities.

Requires the Task Force to meet at least once a month.

Non-legislative members serve as volunteers, unless they are qualified members, as defined in ORS 292.495.

Requires all appointments be completed by the later of 90 days after adjournment sine die or September 30, 2025. Requires the task force to have its first meeting on or before the later of 91st day after adjournment sine die or October 15, 2025.

Requires DAS to provide staff support to the task force.

Sunsets December 31, 2026.

Declares emergency, effective upon passage.

FISCAL: Fiscal impact issued

REVENUE: No revenue impact

### ISSUES DISCUSSED:

- Related federal efforts to curb procurement of products using forced or child labor
- Need for state level initiatives
- Types and number of products using forced or child labor
- Emphasis on electric vehicles
- Oregon mandate on electric vehicles
- Composition of the Task Force
- Ability of the Task Force to add members

### EFFECT OF AMENDMENT:

-A5 The amendment removes requirements of the Task Force related to devising specified methods related to solar photovoltaic energy systems.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: No revenue impact

### BACKGROUND:

Public contracting is governed by the Public Contracting Code (Code) contained in ORS chapters 279A, 279B, and 279C. Chapter 279A contains general provisions applicable to the Code; Chapter 279B contains laws overseeing public procurement contracts, and Chapter 279C governs public improvement and related contracts. The judicial and legislative department are exempted from the Code. Generally, a contracting agency awards contracts to the lowest bidder or best proposer. However, the Code contains provisions allowing contracting agencies to give preference in certain circumstances.

Cobalt is widely used in the production of goods, including batteries for smartphones, computers, and electric vehicles, for which demand is growing. The Democratic Republic of Congo (DRC) is a global leader in cobalt production and accounts for an estimated 70 percent of the world's cobalt reserves. Children routinely work in

these mines, often under hazardous conditions. While mining is on the DRC's list of hazardous activities for which children's work is forbidden, the majority of cobalt mining in the DRC is done informally, where monitoring and enforcement are poor. The majority of minerals are a product of artisanal and small-scale mining (ASM) sector. Working conditions in the ASM cobalt mines are frequently very poor, with children engaged in very dangerous work especially in informal ASM.

In October 2018, the United States Department of Labor's (USDOL) Office of Child Labor, Forced Labor and Human Trafficking (OCFT) initiated the 'Combatting Child Labor in Cobalt Supply Chain' (COTECCO) project to the International Labour Organization (ILO). COTECCO's purpose was to strengthen the efforts of the Government of the DRC and other key stakeholders to combat child labor in the cobalt supply chain. The final evaluation was completed in [July 2022](#).

House Bill 2425 A establishes the 11-member Task Force on Ethical Procurement to devise methods for verifying the identities of manufacturers, distributors, vendors, or suppliers of products that public bodies procure in this state, with particular emphasis on electric vehicles (EV), solar photovoltaic energy systems, and other electric products and ensuring that public bodies do not procure products, including EV, solar photovoltaic energy systems, or other electric products, in which production, including the mining of constituent materials and sourcing of parts, assembly, transportation, or sale of the products used or involved forced labor or oppressive child labor.