



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

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DATE: March 19, 2019

TO: House Committee on Energy and Environment

FROM: Mac Lynde, Deputy Highway Division Administrator

SUBJECT: HB 2007 – Clean Diesel Engine Requirements

INTRODUCTION

House Bill 2007 directs the Environmental Quality Commission (EQC) to establish diesel engine emission standards for medium-duty and heavy-duty trucks and establish a phase-in schedule to ensure all medium-duty and heavy-duty trucks are model year 2010 or newer by January 1, 2029. The measure also modifies public contracting standards for equipment used on any public improvement contract, allocates moneys in the Clean Diesel Engine Fund from the Environmental Mitigation Trust Agreement for clean diesel transition, and establishes the Supporting Businesses in Reducing Diesel Emissions Task Force.

DISCUSSION

House Bill 2007 aims to reduce diesel emissions in Oregon by establishing diesel engine emission standards. The overall goals of House Bill 2007 are consistent with ODOT's mission to connect and support communities across the state. ODOT appreciates the opportunity to work with industry partners and the Legislative Assembly to address diesel emission concerns.

ODOT's goal of maintaining and preserving Oregon's transportation system depends upon our ability to reach and serve the system across the state. ODOT's work is supported by a substantial fleet comprised of on-road and off-road, medium-duty and heavy-duty diesel engines, a large portion of which would be covered under the phase-in and would require retrofit, repower, or replacement by 2029. Many engines in ODOT's fleet are used seasonally or infrequently (*e.g.* snow blowers, grinders, graders) while others are used daily (*e.g.* Incident Response vehicles, 1-ton maintenance trucks, and 10-yard dump trucks). Some of these engines are already scheduled for replacement as part of the agency's lifecycle replacement schedule, while others would need to be replaced earlier to comply with the schedule set in the legislation or by the EQC.

In addition to ODOT's fleet, ODOT relies heavily upon Oregon's contracting community for maintaining and preserving our transportation system. From paving projects to signal upgrades to bridge replacements, ODOT's partnership with contractors are critical in delivering necessary transportation investments across the state. In calendar years 2017 and 2018, ODOT executed 158 highway construction contracts, totaling \$727,478,967, with an average contract value of \$4,604,297. Many of the projects planned on the state highway system through 2021 have already been approved and funds allocated for design and construction. If all construction contracts must include clean fleet requirements beginning January 2020, ODOT will likely delay 2020 and 2021 projects, including

statutorily-dedicated highway projects, while the industry retrofits, repowers, or replaces its fleet; conservatively, project costs increase 3% annually, depending on market conditions. Moreover, ODOT will need to renegotiate many of its currently-executed contracts to include these clean fleet provisions.

SUMMARY

House Bill 2007 directs all medium-duty and heavy-duty trucks to meet diesel engine standards by 2029, and establishes diesel engine standards for equipment used on public improvement contracts.

ODOT understands the bill remains a work in progress and amendments are currently under consideration. ODOT appreciates the opportunity to work with the bill's sponsors and stakeholders to ensure critical highway investments and operations will remain on schedule and budget, while ensuring ODOT is doing its part to reduce diesel engine emissions and improve public health.

Please feel free to reach out to me with any additional questions.