

March 21, 2019

Oregon Conservation Network Testimony Supporting HB 2007

Good afternoon Chair Helm and Members of the House Committee on Energy and Environment:

For the record, my name is Paige Spence and I am here on behalf of the Oregon Conservation Network, coalition of groups throughout this state who unite to bring common priorities before this body each legislative session. The Network is coordinated through the Oregon League of Conservation Voters. We have brought you 4 priorities this session, and HB 2007 is one of them. Thank you so much for the opportunity to testify today in strong support of this bill.

On Tuesday, we heard from affected industries about costs they expect to incur. I completely understand that in many cases, small businesses with small fleets find it challenging to have to think about upgrading those fleets with new expensive trucks. First, I want to remind this Committee that not all equipment is regulated – it's only on road equipment – so the logging machinery for example that we heard about on Tuesday is held harmless. For the on road equipment that is subject to regulation, the Conservation Network is excited about this bill because of the flexibility it offers smaller companies – lines 5 – 14 on page 3 of the bill provide that the EQC will adopt rules to allow for owners and operators of medium-duty trucks and heavy-duty trucks to meet the diesel engine emission standards through alternative compliance options including (a) A fleet averaging option. (b) Options that provide flexibility for small fleets. (c) Compliance extensions for individual trucks that meet eligibility requirements adopted by the commission by rule. (d) Compliance through retrofitting with exhaust controls that reduce diesel particulate emissions by at least 85 percent when compared with the baseline emissions for the relevant engine year and application.

Additionally, we hope that the generous 2029 timeline, coupled with the option to retrofit trucks with older engines, or simply replacing really old vehicles with 2010 or newer ones. By the time we get to 2029, 2010 vehicles will be nearly 20 years old, and will have largely depreciated in value.

Depreciation is an income tax deduction that allows a business to recover the cost basis of certain property. It is an annual allowance for the wear and tear, deterioration, or obsolescence of the property. Most tangible assets are depreciable, including on road equipment regulated under HB 2007. Bill proponents aren't asking anyone to replace their fleets in 2029 with brand new equipment; only that the equipment older than 2010 be at least retrofitted with a 2010 or newer engine. We hope that you agree that the cost of at least retrofitting a vehicle that will be older than 20 years with an engine that is younger than 20 years, is a very reasonable cost compared to costs, heartache, and even death from diesel pollution – and from the climate change impacts that black carbon from diesel also causes.