



Oregon

Kate Brown, Governor

February 11, 2020

The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs Johnson, Steiner-Hayward, and Rayfield,

We seek your support for the ratification of a fee adjustment for Oregon's Vehicle Inspection Program (VIP), operated by the Department of Environmental Quality (DEQ). This fee adjustment, adopted by the Environmental Quality Commission (EQC) in 2019, adjusts the Portland-area VIP fee from \$21 to \$25; and the Medford-area VIP fee from \$10 to \$20 (over a two-year period). Ratification of this fee adjustment ensures the Vehicle Inspection Program is fully funded and continues providing sound customer service to Oregonians in these areas. This program is an essential strategy for maintaining air quality in these areas of the state. While newer vehicles are *manufactured* to burn less, cleaner fuel, those improvements can degrade over time without regular maintenance of engines and onboard emissions control systems.

In addition to providing critical air quality testing, Oregon's VIP partners with the Oregon Department of Transportation's Driver and Motor Vehicle Services (ODOT-DMV) to renew vehicle registration while emissions tests are conducted. This partnership not only saves Oregonians time, but also helps ensure DMV is able to deliver its services in a timely manner by diverting transactions out of DMV field offices. During the 2017-19 biennium, DEQ conducted over 700,000 transactions, representing 60% of all vehicle registration renewals in the Portland and Medford areas. This inter-agency partnership is a national model and helps decrease the workload at some of ODOT-DMV's busiest field offices. This partnership is particularly important as ODOT-DMV prepares for the implementation of federal Real ID requirements in July 2020, which poses a substantial short-term workload increase.

The proposed fee adjustment allows DEQ to continue operating at current service levels.

ORS 468A.370 and ORS 468A.400 require the EQC to determine the most cost-effective method of conducting vehicle inspection services consistent with the federal Clean Air Act before establishing fees. The commission satisfied these requirements and at their November 2019 meeting issued a unanimous finding that the program is cost-effective. Among their findings was a recognition of the critical role VIP plays in managing renewal of vehicle registrations and the issuance of stickers.

Thank you for your consideration; please do not hesitate to reach out to either of us with any questions.

Kristopher W. Strickler

Director

Oregon Department of Transportation

Richard Whitman

Director

Oregon Department of Environmental Quality