

Oppose Duplicative and Costly New DEQ Program: *NO on HB 2814*

HB 2814 would create a new indirect sources review program at DEQ. A similar program was proposed, and *unanimously rejected*, at the Environmental Quality Commission in 2020. The proposed program would apply to indirect sources throughout the state, including retail facilities, government offices and buildings, schools, colleges, hospitals, ports, and development projects. This broad application means that all of Oregon's economy would be impacted by this sweeping program.

This proposed program is a solution in search of a problem: Oregon has long regulated indirect sources and DEQ has evaluated more than 400 indirect sources under its indirect sources program. No indirect source has ever been found to cause a violation of air quality standards, which begs the question of why we need a duplicative program. Many other DEQ programs are targeting mobile sources of air pollutants such as the HB 2007 Retrofit Compliance Rulemaking, Low Emission Vehicle program including Oregon's Zero Emission Vehicle mandate, the Employee Commute Option and the Vehicle Inspection Program.

The impact of this program would be felt by Oregon's whole economy, but especially by small businesses. Such a program is likely to include analysis, review and permitting requirements. The cost of air quality analysis and permit preparation alone will be prohibitive for some small contractors and businesses, and substantial delays would also be caused by review requirements. These new costs would create further strain on construction or operation of most businesses, particularly as our state recovers from the historic economic impacts of the COVID-19 pandemic. DEQ has previously acknowledged they would need additional staff and funding for the program, meaning additional fees would either be imposed on businesses or requested from the General Fund.

Finally, we have substantial legal concerns about an indirect sources program proposal. Such programs target regulating fuel efficiency and carbon emissions from mobile sources. This is clearly prohibited by federal law and is likely to invite extensive litigation.

To ensure that Oregon's economy keeps running smoothly and to avoid substantial legal challenges, we urge your no vote on HB 2814.

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