



Associated Oregon Loggers, Inc.

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February 10, 2022

The Honorable Lee Beyer and Susan McLain, Co-Chairs
Joint Committee on Transportation
Oregon State Capitol
Salem, OR 97301

Subject: HB 4141

Co-Chairs Beyer and McLain, Co-Vice Chairs Boquist and Boshart Davis and Committee Members:

Associated Oregon Loggers (AOL) is Oregon's state forest operator trade association which represents hundreds of family-owned forest contracting businesses. Our members have been involved in the management of forests in Oregon for generations. Our members are essential to conduct any activity in the woods, be that road work for access, timber falling for management and restoration, reforestation for sustainability, trucking for product transportation, and many other services.

Thank you for the opportunity to share with you the voice of nearly 22,000 small business family forest operators, who rely on diesel to transport their equipment, get their job sites, power their equipment, transport timber to mills, and save your lives and communities during wildfire incidents.

First, I wanted to thank the Co-Chairs for hearing testimony on HB 4141 today. It is vital that this Join Committee understand the effect of a decision to phase out diesel.

AOL is aware that there are -2's and -4's posted on OLIS that would turn the base bill into a study of some kind. Regrettably, the details of these studies are not fully developed and have not been vetted by those stakeholders like AOL whose members would be significantly affected by the supply chain disruptions a diesel phase out would produce.

We are unclear how supply chains will work given this bill only addresses motor vehicle use of petroleum diesel. How will this be regulated? By gas station attendants or individuals, themselves at card lock facilities? Or will every person and company who used petroleum diesel for off-road uses and in heavy equipment be required to store diesel at their shop that is obtained through regulated vendors approved to sell direct to consumer? These simply questions are not answered in the base bill and are not contemplated in either of the amendments.

By all accounts, production and storage capacity is not even close to making exclusive renewable diesel a viable option for motor vehicles from a purely operational perspective and cost increases for this product over petroleum diesel would be a non-starter without significant subsidies. AOL wonders where these subsidies would come from and how our members could handle increased prices. Forest operators do not have the pleasure of passing costs to customers like others may because many are in long term contracts that rely on known rates of service. Timber is a commodity product and our members' rates are determined by the market. If they try to pass costs onto the purchaser of their services, the purchaser can simply find someone else to do the job for cheaper, even if that cheaper price ends up bleeding the other contractor dry.

AOL's members already have to pay the corporate activities tax in years where they do not make a profit and, if HB 4055 passes, they will also be paying a higher forest products harvest tax. These are extra overhead costs that continue to make it difficult to own and operate a small forest contracting business in this state.

Many of our members also use their equipment to help fight wildfires and fire engines, contracted service providers and even catering rely on petroleum diesel. Fire costs are already astronomical, this bill would significantly increase the burden on tax payers on the front end of wildfires to do fuels mitigation and landscape resiliency activities while also increasing costs on the back end when hard working Oregonians are trying to save lives, property and communities during wildfire incidents.

A phase-out of petroleum diesel is not all bad however, and our industry welcomes renewable diesel. But, this type of change must be completed with input from those it would affect and with data that is wholistic in nature. We believe the base bill is far from an equitable and just soliton. While the moving to a study would be better, we believe the studies proposed are not fully vetted, lack detail, lack stakeholder engagement, and prescribe a result prior to any research has been completed.

For these reasons AOL urges you to vote no on HB 4141 and any amendment.

Thank you for the opportunity to testify on our views of HB 4141.

Graciously,

A handwritten signature in black ink, appearing to read 'Amanda Astor', with a long horizontal line extending to the right.

Amanda Astor (she/her/hers)
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