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February 15, 2023

Representative Pam Marsh, Chair  
Representative Bobby Levy, Vice Chair  
Representative Emerson Levy, Vice Chair  
Members of the House Committee on Climate, Energy, and Environment

RE: HB 2396  
HB 3158

Thank you for the opportunity to testify in favor of HB 2396 and HB 3158. My name is Kevin Downing and for 27 years I worked at DEQ, the last 18 of which I was the originator and coordinator of the Oregon Clean Diesel Initiative. This was a voluntary, incentive-based program to encourage emission reductions from older diesel engines. By voluntary, the choice was not whether to take action but what action you could take as an owner of an older diesel engine. This effort recognized the deeply embedded role that diesel engines play in the contemporary Oregon economy and also acknowledged that these same useful engines caused substantial harm to human health, climate and the environment generally. Before you are two bills that would dramatically enhance and support the state's efforts to reduce harm from diesel exhaust, supporting and extending existing programs and authorities. Diesel exhaust is the only engine exhaust pollution listed by the International Agency for Research on Cancer as a known human carcinogen. Diesel exhaust also contributes soot otherwise known as black carbon, which is the third largest human contributor to climate change.

HB 2396, which authorizes the implementation of indirect source permits, is a unique opportunity to use state authority to send a clear signal to operators for change from older, polluting diesel engines to new technology diesel and other low emitting engines. Because the significant environmental and health impacts from older diesel engines are externalized and not borne by the operator, continuing operations of these older diesel engines persists. Federal law constrains states to act in protection of their citizens, especially concerning non-road equipment, and yet indirect source permits is a proven and effective toll that states can utilize. Otherwise states rely on passive programs, including the Advanced Clean Truck rule, that wait for older trucks and equipment to eventually expire and be replaced. At an estimated social cost equivalent to up to \$5 per gallon of diesel fuel consumed, that is too expensive a strategy to rely on.

HB 3158 sets up several financing streams to underwrite a portion of the capital expenditures needed to switch from older, polluting diesel engines to new technology, lower emission engines. While diesel engines, since the late 19<sup>th</sup> century when they were invented, remain the most efficient internal combustion available, over that same period of time have also passed along billions of dollars of social costs tied to exposure ranging from medical treatment for long term and short term health conditions, hospitalization, early mortality, lost work days and other direct and indirect costs.

Derived from EPA cost benefit analyses, these costs may be as high as \$3 billion annually in Oregon alone. This bill proposes to add various forms of user fees to a funding stream that will support turnover to lower emitting engines. States like California and Texas, with substantial capital assistance programs for diesel transition, rely on user fees to underwrite these efforts. No state provides similar substantial assistance funded by general tax revenue. It is simply time that the externalized costs of using older diesel engines be incorporated into standard business accounting rather than as community subsidies to support existing formal programs of assistance, like the Clean Diesel Engine Fund.

We urge your careful consideration and support of this legislation.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kevin Downing".