NORTHWEST AUTO TRADES ASSOCIATION SUPPORTS SENATE BILL 512

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Northwest Automotive Trades Association networking + benefits

Co-chairs Gorsek and McLain and Members of the Committee:

The Northwest Automobile Trades Association (NATA) represents more than 450 business members across Oregon. NATA members include collision and mechanical repairs shops, dismantlers, and auto parts manufacturers and distributors.

The Department of Environmental Quality is tasked with protecting our air quality. To that end, motor vehicles in the Portland Metro Area and the Medford Metro Area must have their emissions tested for compliance before receiving a registration or renewing a registration. Upon passing an emissions test at a DEQ station, customers pay \$25.00 for the certification (in Portland). However, DEQ has neither sufficient testing stations, nor sufficient staff to test all the vehicles needing certification. In an effort to ease the pressure on the limited number of DEQ test stations, they have approved two external testing options which do not use DEQ land, buildings, equipment, or employees.

Self-Testing Fleets

DEQ allows motor vehicle fleets to engage in self-testing. This removes hundreds of vehicles from the limited number of DEQ testing stations. Since the fleets use their own employees, their own (DEQ approved) equipment, and do it on their own property, DEQ determined the cost to provide the certification would be only \$5.00 per vehicle. This makes sense, as the fleet owner is doing almost all the work.

When asked, a DEQ employee indicated by email that the reason for the \$5.00 fee was due largely to the fact that all the fleets are public agencies or public utility fleets (attached to this testimony). However, in response to a Public Records Request, it appears the list of fleets also includes some privately owned fleets (also attached). DEQ has acknowledged the apparent error and is still researching the issue as of the night prior to our hearing.

DEQ Too

In their ongoing effort to externalize vehicle testing, DEQ created "DEQ Too", a program which allows private companies, such as vehicle dealerships and auto repair shops to qualify to provide emissions testing to the public. These DEQ Too providers must use only DEQ approved equipment (just as fleets do). And these private businesses use their own employees to do the testing.

Despite the significant similarities between fleets and DEQ Too, DEQ established \$25.00 as the fee for DEQ Too, rather than something more closely resembling the fleet cost of \$5.00. Many DEQ Too providers also charge a small cost recovery fee to cover their cost of providing this service to their customers. When their fee is added to the \$25.00 DEQ fee, the higher cost becomes a deterrent to Oregonians using DEQ Too. We believe DEQ should be encouraging people to use DEQ Too providers, who are almost always closer and faster for the customers they serve.

Supporters of the DEQ Too program want to expand the program and continue to relieve the pressure on DEQ owned test stations. However, DEQ is discouraging use of DEQ Too by pricing the service at \$25.00 so they

can use the surplus income on other portions of their vehicle testing program. DEQ Too providers do not believe they should be supplementing other parts of the testing program.

DEQ Too providers have tried to engage DEQ in a conversation and negotiation about establishing a right-sized fee for DEQ Too certifications. To date, DEQ has only indicated they want all the revenue from the \$25.00 fee, and have no interest making any changes to the program.

As a result, DEQ Too program supporters are appealing to the Legislative Assembly for relief. Our proposal reduces the DEQ Too certification fee from \$25.00 to \$5.00, to match the fleet test fee.

DEQ believes the legislation will reduce the DEQ Too fee to \$1.00 per vehicle. This is not our intent.

DEQ Too supporters are more than willing to discuss a fee higher than \$5.00, but we strongly believe \$25.00 is too high. But DEQ needs to come to the table. We would be happy to find agreement outside of a statutory change.

NATA requests the Joint Transportation Committee *support* Senate Bill 512. NATA will support an amendment to create a fee that finds bipartisan agreement. I am happy to answer any questions. Thank you.