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March 2, 2022

Chair Janeen Sollman

Vice-Chair Lynn Findley

Members of the Senate Committee on Energy and Environment

Re: SB 803 ignores shortage of renewable diesel and potential supply chain challenges

Chair Sollman:

My name is Bill Frith. I am President of Commercial Employers, Inc. and JEBCO Properties, LLC. Commercial Employers, Inc. has leased truck drivers to local companies since 1977. We currently employ about 20 truck drivers who provide valuable transportation services across the state and to neighboring states. From 1966 until 2022, we had a tractor and trailer rental leasing company – the last local, independent one that served the greater Portland Metro area, extending from Seattle to Roseburg, the Oregon Coast to Central Oregon. JEBCO Properties, LLC is a commercial property management company that serves contractor and industrial businesses in the Portland Metro area, including overflow parking for FedEx Ground. Before joining this family business in 2015, I worked almost 25 years for Safeco Insurance and Liberty Mutual Insurance, having run Safeco for the state until Liberty Mutual acquired Safeco. I continue to hold a Property & Casualty insurance license, I maintain my Certified Insurance Counselor professional designation through annual continuing education and I am active in the Oregon Trucking Association's programs, including their safety program. Our experience with transportation is broad, involving equipment, employees, safety and employees.

I am also a native Oregonian, having grown up on acreage in the Cedar Mill/Beaverton area, working our property gardens, orchard and many kinds of farm animals. Our family also has a close tie to the Northfork Santiam River area near the "spotted owl" area. Our neighbor in that area was George Atiyeh, a major force in spearheading the Opal Creek ("spotted owl") preservation effort. We supported and were pleased when Senator Mark Hatfield was able to pass legislation to protect that area for generations to come. Unfortunately, we lost both Mr. Atiyeh and much of that area due to the 2020 wildfires. We evacuated just in time while George and two other neighbors perished in the fire. We are now actively involved with rebuilding our generations-old home in that area while also working to restore the forest and vegetation that was lost in the fire. We love our planet and support conservation. We also believe in workers, their families and not hurting our community or economy as we continue to improve technology that serves the community and our planet.

I urge you to oppose SB 803, which would ban nearly all diesel fuels in Oregon.

While I recognize that this bill seeks to force a shift to renewable diesel, an exciting emerging alternative "drop in" fuel for Oregon trucking companies, the narrow nature of the mandate included in the bill, as well as the significant supply issues for renewable diesel, ignore the realities of implementing such a mandate.

SB 803 would ban the sale of petroleum diesel on a regional basis beginning in 2026 and encompassing the entire state by 2030 in an attempt to force the fuel industry to switch to renewable diesel as the fuel choice for all on-road diesel applications. While many Oregon carriers have been actively looking for supplies of renewable diesel, given it doesn't require expensive investment in new equipment and its use is only limited in extremely cold weather conditions, current supply does not meet that demand.

Renewable diesel supply shortages simply will not be improved in the three short years when this bill would go into effect. There is not currently enough renewable diesel available to meet Oregon's fuel demands and this bill will not send a "market signal," so supply will somehow become available. Production of renewable diesel is limited, and to date Oregon DEQ has denied permitting a facility in our state.

Further, Oregon already provides incentives and regulations to drive a transition to more renewable transportation fuels. This effort has been accelerated by the Governor's Executive Order 20-02 and recent changes to the Clean Fuels Standard. SB 803 would create a duplicative program that would only add to the cost of product for Oregon consumers.

If SB 803 were to pass, fuel shortages would have a significant impact on Oregon's trucking industry and supply chains for all Oregon consumers. I ask you and your committee to oppose this short-sighted, dangerous proposal and vote no on SB 803.

Please continue to push for efforts to improve technology and conservation. This will protect the people in our community for generations to come. While doing it, be mindful that you are not pushing so hard and so fast that you are financially hurting the people you are trying to protect, especially as we consider that financial hardship leads to health issues and reduced access to healthcare and wellness programs. Consider improving our ecology without hurting the economy that every Oregonian relies upon as well. Lead by incentives. A stick with a carrot dangling on the end will get us all further than just a stick that beats the financial livelihood out of families.

Sincerely,

Bill Frith

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