

Testimony to House Committee on Climate, Energy and Environment

Chair Lively and Members of the Committee,

My name is Ted Croce, CEO of Summit Truck Body ("Summit"), a 100% Employee-Owned company with 80 employees. We are a local manufacturer of medium-duty truck products such as flatbeds, box trucks, and refrigerated vehicles for industries like agriculture, healthcare, and food distribution. Medium-duty also includes tow trucks, street sweepers, vacuum trucks—all critical to our quality of life.

Last week, I was honored by the *Portland Business Journal* as one of the top executives in Oregon. If the Advanced Clean Truck (ACT) rule remains intact, I fear I won't have employees to lead by the end of this year.

At the end of December, our backlog of orders dropped by 12.5%, below our 12-month average. January has also been a slow month, and we are expecting a similar decline. If this continues for another couple of months, I will be forced to start laying off workers and reducing the contributions to our health benefits and retirement plans. The average wage of an hourly employee at Summit is over \$24.50 per hour and our health benefits are best-in-class. This rule is having an impact, now.

While much of the discussion and testimony seems to be focused on class seven and eight, the impact of these rules on medium-duty trucks is far more complex. Representatives from the DEQ testified last week that medium-duty trucks can be served through private depot or overnight charging. This is a gross oversimplification. First, a tow truck has completely different power requirements than a box truck. Second, the costs are staggering. A medium duty truck requires a 100amp circuit – the same as powers most homes – for charging. Businesses typically don't have that kind of power at the ready at their buildings. Once you've paid the power company infrastructure costs and for hardware to connect to the service, you've made about a \$300,000 investment. I know this is true; we just installed a charger at our new manufacturing plant. Last week, the *Oregonian* noted how delays in this connecting hardware were preventing completely move-in ready apartment buildings from being occupied. In other words, the DEQ is asking small-and-medium sized businesses to make a \$300,000 investment today that won't be ready for 18 months – and then buy a truck that is three times the current cost, goes half the distance, or doesn't exist at all.

The ACT rule mandates costs that are unfeasible and timeframes that are unachievable. The rule creates a scenario where it is impossible for most small-to-medium sized companies to absorb these burdens. We are feeling those effects today at Summit. Those that find a way must increase prices drastically to stay afloat—further impacting living costs for struggling families. A regional manufacturer, just like Summit, in Southern California laid off half of their workforce in the fall of last year. Businesses are keeping their old equipment and not buying EVs. California dealerships that sold thousands of trucks in 2023 have sold mere hundreds in 2024. We need not look any further to know what is soon to happen in Oregon, and what will happen to Summit.

I can't imagine trying to decide which half of the team I need to let go, and worse, tell them that the company we've built together is being dismantled due to circumstances beyond our control. Without new trucks, Summit doesn't have a business. I respectfully urge you to support HB3119 and prevent these impossible rules from destroying our businesses and communities. Thank you.