



To: House Committee Climate, Energy and Environment
From: Jana Jarvis, President & CEO
Date: January 30, 2025

RE: HB 3119

On behalf of the members of the Oregon Trucking Association, I am here to explain where we are as an industry, where we are going, and why the Advanced Clean Trucks rule creates extreme challenges that is already disadvantaging Oregon businesses, reducing revenue to the state, and will not amount to reduced carbon emissions.

First, I want to be clear that transportation is a diverse industry with a wide range of technological needs. We have some members who specialize in long-haul and need reliable fueling in remote areas. We also have members who can take advantage of electric applications for shorter routes, ports, and last-mile delivery. It is essential to us that Oregon retains its ability to get goods to market no matter where they're needed.

And while electric passenger vehicles have seen a tremendous rollout of a nation-wide charging network and the price of passenger EVs continue to become more affordable, this is not true for the medium and heavy duty sector.

The first all-electric semi-truck wasn't introduced until 2020. This was an incredible development, but we are not as advanced in this space as passenger vehicles, and the technology is not feasible, applicable, or financially reasonable for many existing companies. Additionally, we do not have the charging infrastructure to support widespread adoption - there is ONE public charging station in the state, and although there are grants and plans to develop charging infrastructure for trucks along I-5, it will take years before these are developed.

But in 2021, Oregon adopted the Advanced Clean Truck rule specifying that 7% of all class-8 trucks sold must be battery-electric in order to be able to purchase internal combustion clean diesel trucks in 2025. This threshold will continue to escalate every year for a product that doesn't meet the vast majority of the industry's needs.

It's 2025 now, and we are not where we need to be for this rule to be effective. ZEV trucks are still about 2-3 times as expensive as conventional trucks, and the added weight reduces load capacity so that it takes four electric trucks to haul what three conventional diesel trucks haul today. Particularly with the limited range issues, we are now discussing adding far more vehicles to the road and stretching the capacity of our electrical grid. It has been estimated that the energy requirements to charge 100 heavy trucks would equal the energy needs of a small city. Additionally, the state of New York, in its study of the number of

chargers needed identified a nearly 1 to 1 ratio of chargers to the state's registration of heavy trucks. With only one public charging station in our state, a tremendous amount of investment needs to be made before adoption of this technology is mandated.

If you are a trucking company in Oregon, and you know that the Advanced Clean Truck rule is coming down, you may be wondering whether you can make ends meet.

With the introduction of this mandate, many Oregon carriers are looking for solutions in order to stay in business. Freight has been in a recession for the past two years and there is hope on the horizon for additional volume this year. However, Oregon companies can't wait for the government to come up with the support necessary to keep them in business. Already, companies are closing their doors or looking to relocate out of Oregon in order to be able to purchase the equipment they need, or to stay competitive. And when the industry leaves our state, only the most profitable lanes will be serviced by out-of-state carriers who are not subject to these additional costs and mandates. 80% of Oregon's communities are only served by trucks – when the industry closes up shop or moves out there will be communities that won't be serviced as well as commodities that that will have limited, and expensive, freight options.

If the goal is to reduce pollutants from our industry, we would be better served by incentives to purchase newer, cleaner diesel trucks where there has been over a 98% reduction of diesel emissions. Newer clean diesel trucks combined with renewable diesel fuel has a better carbon intensity cradle-to-grave than a battery-electric truck. Focus on renewing the subsidies for renewable diesel and providing incentives for companies to clean up their fleets and Oregon will see more benefit to our environment than mandating unattainable, unworkable solutions like the ACT.

We are a solution focused industry and have already invested billions into cleaner technology. And we will continue to do so as technology develops, and the market allows us to. We need time to let new technology develop that will meet our needs and there is a tremendous amount of money and effort directed toward that goal. But enacting mandates for products that don't meet our needs will not help Oregon's trucking industry survive. Battery-electric trucks, especially semi-trucks, should be allowed to evolve to meet the industry's needs before mandates are enacted.

We encourage the state, and its agencies, to work with us to find workable solutions.