



Testimony of the
U.S. TIRE MANUFACTURERS ASSOCIATION
in Opposition to
HOUSE BILL 3362
submitted to the
JOINT COMMITTEE ON TRANSPORTATION
OREGON STATE LEGISLATURE
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Good evening, Co-Chairs Gorsek and McLain, Vice Chairs Boshart Davis and Starr, and distinguished members of the Committee on Transportation, my name is Sean Moore, and I am testifying today on behalf of the U.S. Tire Manufacturers Association (USTMA) in **opposition to House Bill 3362**.

USTMA is the national trade association for tire manufacturers that produce tires in the United States. Our 11 member companies operate 55 tire-related manufacturing facilities across 16 states. The U.S. tire manufacturing industry directly supports almost 3,700 Oregon jobs and indirectly supports more than 6,700 additional jobs across the state. In Oregon, tire manufacturing produces a direct economic impact of more than \$525 million annually. Importantly, the U.S. tire manufacturing industry generates \$34 million annually in Oregon state and local tax revenue. USTMA advances a sustainable tire manufacturing industry through thought leadership and a commitment to science-based public policy advocacy.

USTMA believes HB 3362 will produce unforeseen consequences, including a deleterious impact on highway safety. USTMA also believes it is inequitable to tax tires to pay for things wholly unrelated to tires, such as railway infrastructure and wildlife crossing.

HB 3362 is a regressive tax that would disproportionately impact low- and middle-income earners.

USTMA is concerned that a 4 percent tax on tires will be so burdensome to Oregon motorists, particularly low- and middle-income earners, that it may potentially lead many to delay replacing worn-out tires. This outcome could result in more vehicles traveling on unsafe tires on Oregon roads.

Levying a 4 percent tax on tires would increase the cost of a new set of four tires for most Oregon motorists by **\$40 – 70 dollars**.

For example, if you were to visit a regional retailer operating in Oregon, seeking to purchase a set of highway tires for your 2021 Ford F-150, you would pay between \$286 per tire (\$1,144 for four) and \$366 per tire (\$1,464 for four). Under HB 3362 your bill would increase between \$45.75 and \$58.56. If you are seeking all-terrain tires for that vehicle, your only option is \$447 (\$1,788 for four), which means your cost would increase by \$71.52 under the proposed tax.

In places like Oregon, where the cost of living continues to increase, consumers are becoming more price-sensitive, seeking out affordable tire options without having to compromise safety and performance. Increasing this cost for the benefit of those using the railway is simply not fair.

Additionally, while many motorists in the state will conceivably benefit from enhanced wildlife crossings, funding for such a program should not be so disproportionately on the back of tires but rather spread across multiple products. Making tires – a critical safety device – significantly more expensive to pay for wildlife crossings **undermines** road safety by discouraging timely tire replacement, thereby making roads more dangerous.

Tires play a vital role in the safety and performance of vehicles.

Tires are one of the most important and highly engineered safety components on a vehicle. Given tires are the only point-of-contact with the road, they are among the most critical elements for road safety.

According to data from the National Highway Traffic Safety Administration, excessively worn-out tires are three times more likely to be involved in a crash. This is because excessively worn-out tires provide less traction and control, and they are susceptible to punctures and hydroplaning in wet conditions.

Since 1938, USTMA (then known as Rubber Manufacturers Association) has sponsored National Tire Safety Week – an annual reminder and push to underscore the critical importance of tire safety and maintenance. Each year, we are joined in this effort by hundreds of partners, including AAA, tire retailers and distributors, trucking associations, fleet managers, and the Oregon State Police.

Regular maintenance and scheduled inspections by tire service professionals are crucial steps to maximize tire performance and longevity, while simultaneously helping to mitigate the environmental impact of tire wear. Under HB 3362, many Oregon motorists are expected to increase the amount of time between having their tires serviced and replaced.

USTMA members are at the forefront of advancing safe and sustainable mobility solutions for American consumers, naming new rules for consumer tire information and performance standards and the modernization of tire testing regulations among their top [legislative priorities for 2025](#)¹. USTMA has also promoted legislation at the state-level to prohibit the installation of unsafe used tires, helping secure laws protecting consumers in five states.

Conclusion

We appreciate your time and consideration of our concerns with this bill, and we welcome the opportunity to be a part of this discussion moving forward. We respectfully encourage the committee to vote NO on HB 3362.

I'm happy to answer any questions you might have. Should you want to follow up after the hearing, my email address is at the top of page one. Additionally, please reach out to Nicole Mann nicole@daltonadvocacy.com at Dalton Advocacy, USTMA's in-state representative. Thank you.

¹ As noted in the letter, Michelin North America dissents on the federal implementation of a consumer information program with performance standards for tires.