



## OREGON BUSINESS ASSOCIATION

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Chair Dingfelder and Members of the Senate Environment and Natural Resources Committee,

OBA provides bipartisan, statewide business leadership that strives to ensure Oregon's continued economic competitiveness. Today, more than 300 businesses, from Portland to Boardman, from homegrown to Fortune 500, have joined to support OBA's commitment to a healthy economy for all Oregonians.

SB 488 is a jobs bill. Our goal is to attract new employers to the region by showing them that Oregon is ahead of the curve in the emerging clean fuels industry. Best of all, we aren't asking for a tax credit or subsidy to do it. All we are asking for is to lift the sunset on the Clean Fuels Program so that a pragmatic, market based, revenue neutral program which provides businesses with the market certainty they need to invest, can thrive. Oregon has emerged as a leader in attracting sustainable businesses. A commitment to sustainable economic development not only protects our quality of life, but has become an important component of Oregon's economic development efforts.

The technology for clean fuels is here. The demand for inexpensive, sustainable, renewable and diversified fuel supplies is here also and will continue to increase in the future. I see an Oregon with two potential futures, one where we import our fuels and continue sending money out of state, or one where clean fuels businesses are located here, producing here, employing Oregonians here and reinvesting our transportation dollars here.

When Nike emerged as a leader in footwear and apparel, Adidas located its North American headquarters here. We have an opportunity for clean fuels businesses to be clustered here in Oregon. The longer we wait, the more likely we are to lose out to other markets.

OBA believes a ten year energy plan is a critical component in fostering economic development and wage growth in Oregon. OBA strongly supports economic development opportunities that strengthen our economy, are economically efficient and that make additional capital available for the Oregon economy. The Clean Fuels Program is a well-designed, market-based program that will spur economic activity while safe guarding businesses. In 2009, we supported the low carbon fuels standard. This year, we reconfirmed that support.

Since 2009, gasoline prices have doubled, creating a drag on our economic recovery. In addition, Oregon sends more than \$6 billion out of state each year importing gas and diesel fuel, money that by and large doesn't benefit our state economy. Our over-reliance on fuel produced out of state and out of country leaves us vulnerable to inevitable price increases and price spikes that hinder our economic recovery. Diversifying our fuel supply with clean fuels, some of which are from renewable sources will stabilize our already volatile fuel prices and pave the way to a smoother economic recovery through increased economic development in the clean fuels industry. A diversified fuel supply also protects us from price spikes, keeps costs down over time and allows us to move goods more inexpensively.

The clean fuels industry is developing in Oregon and this Program gives us a competitive advantage to attract businesses here. We have a number of electric vehicle companies locating in our state. Brammo, an electric motorcycle company in Ashland, recently announced an expansion that will add 130 jobs in Southern Oregon and has gained national recognition winning racing awards.

The EV industry is already generating nearly \$300 million in economic activity in OR, while the biofuels industry has created 2,500 jobs, drawing over \$500 million in investment to our state. Let's show them Oregon is a smart place to continue investing. According to a report by Pacific Coast Collaborative, the growth of clean economy jobs in Oregon increased at a rate of 2.2% compared to only a 0.3% rate of growth for all jobs from 2003-2010.

But this should just be the beginning. What the clean fuels industry needs now is market certainty. By lifting the sunset on this program we can provide just that. By merely extending the sunset or leaving it in place, we are at risk of Oregon businesses that employ Oregonians leaving the state and moving to a market with the certainty they need.