

**Testimony to the Senate Committee
on Business and Transportation on House Bill 4107**

February 20, 2014

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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

Oregon Environmental Council supports House Bill 4107 to extend the Alternative Fuels Revolving Fund to provide loans to private fleet operators.

The Alternative Fuels Revolving Fund currently applies only to public fleets, which is an excellent start. Public fleets can save tax dollars by shifting away from expensive gasoline and diesel fuels. However, this service should not be limited to public fleets; including private fleets as part of the state revolving loan fund will provide a range of benefits.

Alternative fuels provide the following advantages:

- They are often lower cost than gasoline and diesel, saving fleet fuel costs that can be applied to other parts of a business.
- Alternative fueled vehicles often have lower maintenance costs. For example, electric vehicles don't require oil changes. This also has environmental benefits by preventing oil spills and improper oil disposal.
- Alternative fuels reduce dependence on oil.
- Use of Oregon-made biofuels supports business in Oregon, supporting rural economic development.
- Alternative fuels are cleaner burning, reducing air quality impacts in neighborhoods. Northern and Southern Oregon are out of attainment for many air quality standards and cleaner fuels are an important strategy for cost-effectively reducing harmful air pollution.

Early adopters have shown the benefits of converting fleets to alternative fuels. These include private fleets, such as Staples' electric delivery trucks, as well as public fleets, such as the Polk County Sheriffs Department's propane-powered fleet. However, to maximize the benefits across the state, additional funding tools are needed. Expanding the Alternative Fuels Revolving Fund is a low-risk way to augment the opportunity.

Oregon Environmental Council sees HB 4107 as excellent policy which will help bring Oregon closer to a clean fuels economy. It is worth noting that the most important alternative fuels policy is the Clean Fuels program. The sunset must be lifted on the Clean Fuels program in order to spur investment in this industry in Oregon. Just like HB 4107, the Clean Fuels program makes it easier for fleets to use clean fuels, resulting in a healthier environment for Oregonians.

We urge strong support of HB 4107.