



April 1, 2015

Senator Chris Edwards, Chair
Senate Committee on Environment and Natural Resources
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Chair Edwards and Members of the Committee,

The League of Oregon Cities and the Oregon Municipal Electric Utilities Association (OMEU) appreciate the opportunity to submit this testimony to the Senate Committee on Environment and Natural Resources regarding SB 824 and the retrofit of certain diesel engines.

The League of Oregon Cities includes all 242 cities within Oregon and eleven of Oregon's municipally owned and operated electric utilities joined to form OMEU.

We have several concerns about SB 824 and would appreciate being a part of any future conversations about this policy issue should it move forward.

Our local communities care greatly about the livability of the communities we represent. We spend considerable resources to invest in clean energy projects, sustainability efforts, tree planting to enhance livability and community health, and we have worked to invest in mass transit, road improvements to alleviate congestion and bike-ped options to allow for residents to utilize alternative transportation options.

The requirement for the set aside of 1% of funds for public contracts is a concern. Public contracting has continued to evolve through a variety of state policies into a highly complex and costly endeavor. Local governments are charged with spending taxpayer dollars and managing limited resources to provide critical services. The set aside requirement pushes additional costs onto local taxpayers in order to invest in upgrades to private vehicles and equipment. For some contracts, 1% may be enough to provide for retrofits and upgrades but it could also be too little to make those upgrades. There is a backlog of critical infrastructure projects throughout the state, and additional costs to projects will further limit our ability to address those needs now and into the future.

Furthermore, it is unclear as to whether the \$2 million threshold with 30% state funds would apply to federal pass through dollars including the Clean Water State Revolving Fund and the Community Development Block Grant. For many of these programs, those communities that are most likely to exceed the 30% state funding threshold are distressed and low-income.

We have further concerns with the cost associated with producing an inventory of vehicles and registering those vehicles as required by the bill and potential rules that would be adopted.

SB 824 also provides very broad rulemaking authority to the Environmental Quality Commission. This makes it very difficult for us to fully understand the potential fiscal impacts that may result should these requirements be implemented in Oregon.

Thank you for this opportunity to provide comments. Please do not hesitate to contact us if you have any questions.

Sincerely,

Tracy Rutten, Staff Associate
League of Oregon Cities

Beth Vargas Duncan, Executive Director
Oregon Municipal Electric Utilities Association