



**Freeman Rock, Inc.**  
Ready Mix Concrete ~ Rock ~ All Types  
Dump Truck Hauling ~ Landscaping Materials  
Oregon Contractor's Board License #155569  
CA Contractor's Board License #969924  
Oregon DBE # 3753 California DBE# 34639

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March 26, 2015

Rich Angstrom  
OCAPA  
737 13<sup>th</sup> St. SE  
Salem, OR 97301

Re: SB 824

Dear Rich,

As you no doubt are aware, this bill is a disaster for small operators in rural areas. Frankly, if passed in its present form, most of us would be out of business within a couple of years or however long the state takes to enforce the provisions. This is especially true if off-road equipment is included in the provisions of the bill. The loss to local communities and to the state itself would be significant.

Some thoughts:

There are 17 counties claiming an existential problem with diesel emissions pollution according to the available information. The specific counties aren't mentioned but a good guess would be those counties on the I-5 corridor that have cities with large populations or that lie in basins such as Grants Pass. There is certainly no evidence of such a problem affecting citizens in some of the more rural areas and most specifically in coastal communities. This bill could be modified to exclude these counties which do not have an air quality problem. Alternatively, of course, would be for local governments to pass their own requirements adhering to a state standard as is sometimes done with smog generating emissions from gasoline powered vehicles. Protecting Mother Earth from carbon emissions is a red herring with this bill considering the impact it will have on the global environment.

For operators like Freeman Rock, and there are a number of them in Oregon, this would effectively put most out of business and do away with a substantial number of family wage jobs. Even small operators have 10 to 25, or more, diesel engines in their on-road and off-road fleets. The cost to convert an engine to meet the proposed standards, assuming they are comparable to California's, is \$20,000 or more. That could cost operators whose annual net incomes are frequently less than \$100,000, in good times and much less, even negative, in recessionary times, as much or more than \$500,000. That is a business-breaker number for most if not all small operators.

In addition to the direct job loss created by SB 824, there is a considerable economic impact which I do not see addressed in the bill. Should we be economically forced out of business, permits will be lost and aggregate will need to be trucked in. As you are well aware, the cost of hauling rock is considerable at approximately \$0.12-\$0.15 per ton mile. If aggregate for road building and repair or for concrete has to be hauled long distances, the cost would be very substantial. For example, a 35 ton load of rock from Eugene area to Brookings would incur a delivery cost in the neighborhood of \$935.00, three or more times the cost of the rock itself. That cost would

have a significant killing effect on all private, commercial and industrial development. The impact on job creation and economic development is substantial. The counties affected by the loss of timber related revenues would be the hardest hit since they tend to have much lower per capita tax revenues than the more industrialized counties. These are coincidentally the Oregon counties with the highest rates of poverty, poor schools and high substance abuse. State and local governments would be adversely impacted, too, not only from the of wage related tax income but also by the material cost to maintain and develop road systems, water and sewer plant construction and many other maintenance and development projects that consume substantial quantities of asphalt, concrete and base rock. Ironically, it is precisely improved infrastructure that is needed to get rural Oregon on its feet economically.

While we fully support the concept of environmental protection, this bill does not materially impact the environment, especially in rural areas, and comes at a huge cost with the unquestionable loss in the long run of hundreds of direct and many more indirectly jobs. If a true economic impact study were done, as it should be with any bill, it would no doubt show the above concerns to be valid and worthy of making the effort to make this bill work for everyone or do away with it in its entirety.

Sincerely,

Ted Freeman Jr.  
President