

From the desk of
Cliff Bentz



OREGON TRUCKING ASSOCIATIONS, INC.

Vote “No” On SB 324

A common misconception is that the Low Carbon Fuel Standard is a biofuels blending program. Actually, nothing could be farther from the truth.

Director Dick Pederson, from DEQ, testified before the House Energy and Environment Committee that current Oregon law only permits 10% ethanol in gasoline and 5% biodiesel in diesel fuel. Let’s use diesel fuel as an example. The Low Carbon Fuel Standard requires that the carbon emissions must be reduced by 10% in 10 years. The question is, “How can you reduce carbon emissions by 10% when the maximum amount of biodiesel, by law, is only 5%?” The answer is – it simply can’t be done.

The only way a petroleum fuel supplier can comply with the Low Carbon Fuel standard, as the amount of carbon emissions is ratcheted down, is to purchase credits. This is a cost fuel suppliers do not incur today. It then follows, that the price of fuel will go up. The question is, “By how much?”

DEQ estimates that fuel costs will increase by 4 to 19 cents per gallon. Other estimates put the increase even higher. The California Trucking Associations commissioned a study of California’s Low Carbon Fuel Standard. This study estimates that the cost of diesel fuel will increase by \$1.47 per gallon towards the end of the California program.

To put this in context, if the Legislature increased Oregon’s fuel tax by 19 cents per gallon, it would raise \$999,400,000 per biennium. That’s nearly a billion dollars in increased costs. This is simply too high of a price for what is a very modest reduction in carbon emissions. Please, protect Oregon’s fuel supply by voting “No” on SB 324.

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