

# CLEAN DIESEL ENGINES

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March 8, 2017



**Oregon Concrete  
& Aggregate**  
PRODUCERS ASSOCIATION

# Oldcastle Materials Group

1. Major building materials supplier with numerous operations in Oregon.
2. Involved in construction, construction materials (aggregates, concrete, asphalt) and other building materials (glass, bagged products, pre-cast concrete & general building materials supply) including distribution of the above.
3. Has significant On Road and Off Road diesel engines used in a variety of applications.



# Mining and Mining Equipment



# Ready Mix Trucks



# Loaders



# Excavators



# Heavy Haul Mine Trucks



# Retrofit is not a Viable Option





# Impacts

- Oldcastle Materials has more than 300 pieces of equipment in Oregon that would be impacted by this bill.
- Many pieces cannot be retrofitted (especially off road equipment).
- Estimated compliance exceeds \$20 million.
- Economic development and highway construction would bear the brunt of this.
  - Less road repairs
  - Less economic development
  - = LESS JOBS



# Key Problems with SB 1008

1. Funding the retrofits and replacements by burdening highway contract work with a fee would reduce funds available for public projects at a time that we cannot even find the bare minimum funding for highway and bridge maintenance while failing to address needed capacity improvements.
  
2. The data is still weak on the emissions modeling.
  - Fuel type usage is not well known.
    - EXAMPLE:
      - Oldcastle only uses low sulfur fuel in all operations, on & off road. Modeling assumes off road is all high sulfur therefore we question the accuracy of the forecasted emissions data.
      - This data needs to be gathered
    - Age of all fleets in modeling is not well known for off road equipment.
      - This data needs to be gathered.
  - DEQ is not current on all of the new equipment already in place
  
3. Developing an elaborate registration system will create an unnecessary cost burdensome program that has no validation in improving air quality and perpetuates mistrust of private companies in self reporting.



# Impact to Highway Funding

- Oldcastle Impact ~ \$20 Million
- Projected “conservative” impact to all public project contractors ~\$300M\*
- Translates to ~ \$180M cost related to public works  
(assumes 60% of all projects are public projects)
  - @ 7 year depreciation life > \$25M per year in less highway funding available without assistance from the State
- There will be fewer roads improved as a result of acceleration of equipment replacement.

*\* – Assumes that a large % of older equipment could be retrofitted (unknown at this time), actual cost could be significantly higher.*



# Industry is coming into compliance without legislation.

- Natural replacement will complete these upgrades over the next 5–7 years
- Complete the inventory and other “assumed” variables with accurate data before legislating mass change, which may not have the benefit currently modeled.



# Conclusion

- The Industry appreciates the committee taking the time to discuss this bill.
- There are certain environmental benefits for the program, though the cost–benefit analysis using well vetted science and economics appears to be severely lacking.
- The current proposed transition cycle would have a material impact on economic development, road maintenance, highway/bridge construction and overall transportation business in Oregon.
- We would like to continue to be partners with the legislature in discussing this issue.

