

Before the Senate Committee on Environment and Natural Resources
Testimony of Shelly Boshart Davis
Vice President
Boshart Trucking, Inc.
Senate Bill 1008 ~ March 7, 2017

Chair Dembrow and Committee – my name is Shelly Boshart Davis. Thank you for allowing me to submit testimony on behalf of our family farm and trucking company.

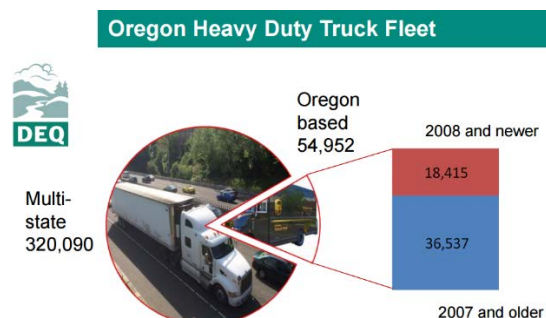
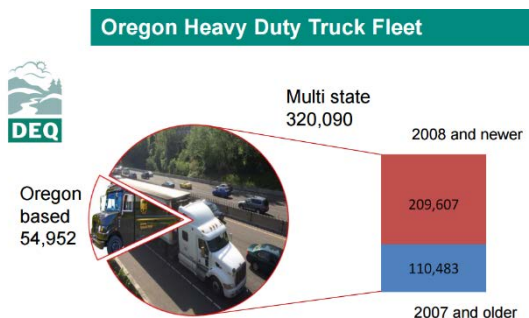
We are a custom farming and trucking business that provides jobs to almost 50 employees. We also export over 2200 containers of Ag exports overseas.

I'm not a scientist, or a statistician, or like collecting or interpreting massive amounts of data. So I'm not going to try to discredit how not-clean or clean our air is. Here's what I did find:

According to the DEQ, "Overall, air pollution in the Portland area has decreased dramatically over the last 30 years." CEO of the American Lung Association said, "We are happy to report that the state of our air is much cleaner today than when we started the 'State of the Air' report 14 years ago."

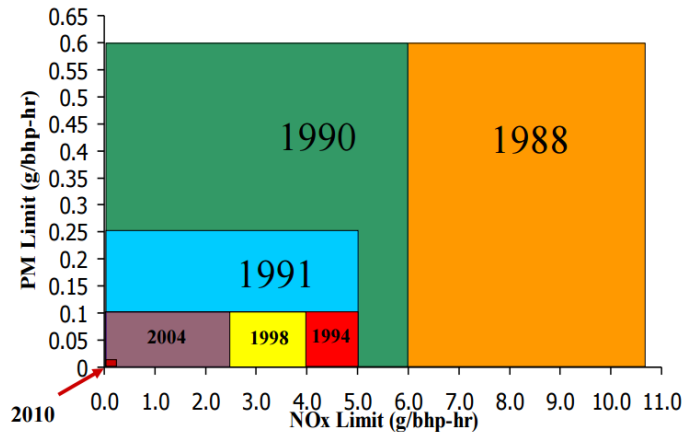
And I can tell you about trucks. And our trucking industry is pretty impressive – and just getting better. Diesel-dependent industries are improving on their own. For example, within the last few years, we have upgraded 25% of our port-destination portion of our truck fleet to have the new standard of engines: 2014 Peterbilt and Freightliner trucks. By 2020, we will have had most of our fleet upgraded to new or newer trucks because that's what businesses and farms and people do – they upgrade over time. Whatever problem or perceived problem exists, it will be rectified. Why burden businesses with extensive costs to implement? Every dollar invested into retrofitting or buying new equipment is one less dollar that I can spend on my employees, that I can spend on garnering new business – that I can help the economy, the families that I employ, and providing food and feed for neighbors, Oregonians and the world.

I had previously testified in opposition to HB 3310 and SB 824 both in 2015, and pulled up these slides from the Department of Environmental Quality found in SB 824's "meeting materials" in OLIS. Note the extreme low amount of trucks that you are ultimately concerned about. **All of this legislation for only 36,537 trucks that are being used in Oregon?** And this was from at least 2015 if not older information. The amount shown in the multi-state graph on the left can't be regulated by the Oregon Legislature anyway. Even if you could, these trucks would have been updated in the next few years by normal business practices. And look at the small piece of the pie that includes Oregon based trucks...



This leads me back to my point: whatever problem we may or may not have – it’s already fixing itself.

On Road Diesel Engine Emission Standards



Take a look at how far diesel engines have come and I question why we need the mandates and regulation and legislation. 2010 is a tiny box. What does 2017’s box look like? When is enough, enough?

The Federal Reserve Bank of Chicago posted this in 2014:

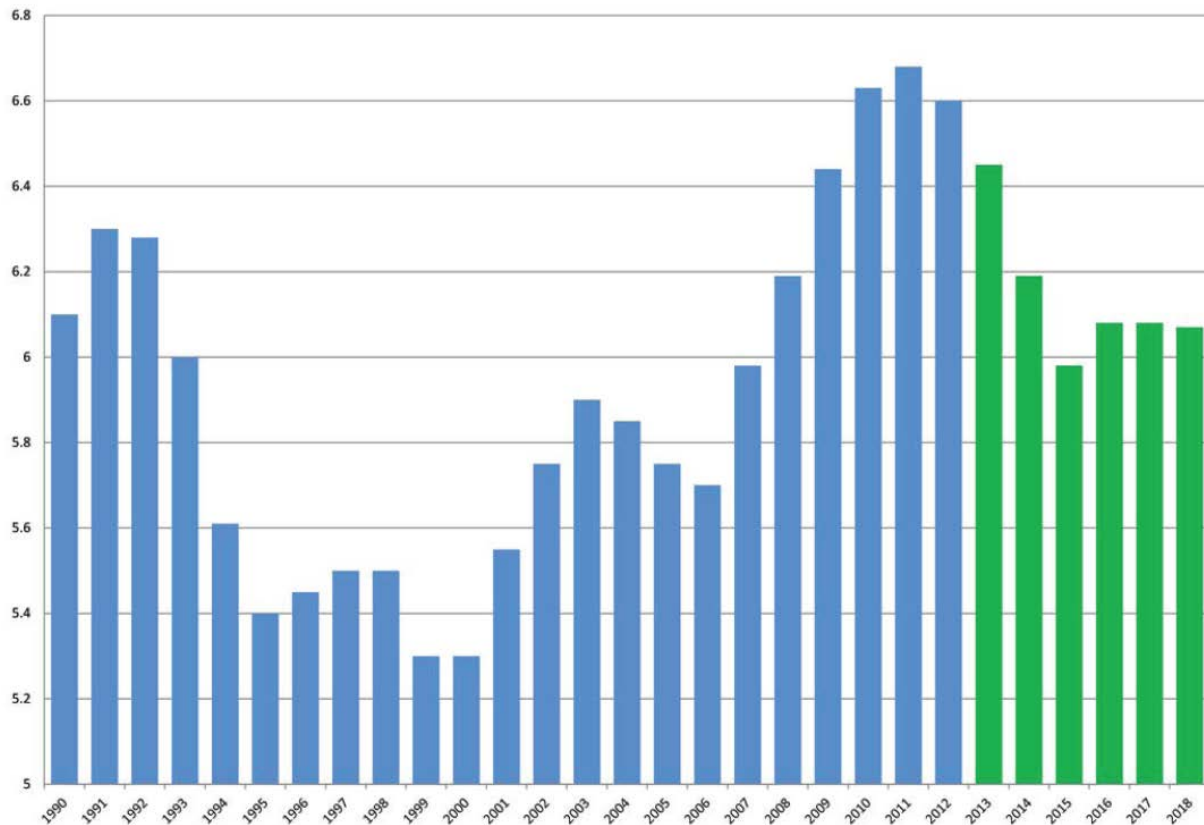
ACT Research defines the active population of trucks as those trucks still in service that are 15 years of age or younger. **The reason for this distinction is that once a vehicle reaches 15 years of age, it becomes much less likely to be used for hauling meaningful amounts of freight over long distances.**

Another factor affecting freight rates has been the significant increase in truck prices. **Truck prices started increasing in 2002 because of federally mandated diesel emission standards that required the costly development of new engine technologies. ACT Research analysts contend that since 2002 the cost of meeting these standards has added an estimated \$30,000 to the cost of a new truck—a price increase of about 31%.**

There is yet another factor that is likely to drive up costs for the trucking industry: **the projection for a severe shortage of qualified truck drivers.** The effects of the shortage, which has been in the making for some time, were somewhat mitigated during the most recent economic downturn. Since then, as freight activity has recovered, the driver shortage has become a more serious problem.

<http://michiganeconomy.chicagofedblogs.org/?cat=1>

Committee – Currently, the average age of Heavy Trucks is 6 years old. If this trend continues, by 2020, the average age of trucks will be on average 2014 trucks – this is great news! This means that trucking companies are constantly purchasing new equipment because they need reliability (i.e. no breakdowns on the road). We aren't doing this because of mandates, we are doing this because it's good business.



Title: Average age of active population of US Class 8 vehicles.

Source: ACT Research

Labor and Fuel are trucking industries two largest costs. Labor is going up as truck drivers are harder and harder to find. According to the Journal of Commerce: Truckload carriers will need to raise driver pay substantially to attract the type of qualified candidates needed to haul freight. On top of that, a host of new driver-related regulations will make hiring truck drivers harder, and more expensive. Because Low Carbon Fuel Standards was recently signed into law, the fuel costs will be going up. I testified in opposition to the LCFS based on the fact that the increase in fuel costs was undetermined. Equipment is always a concern as is cost of doing business and providing a cost-effective service to customers. Mandated equipment upgrades or new purchases cannot be simply absorbed. What will this cost be to small business across the state?

Committee, this hits home to me. I urge you, do not pass this regulation on an industry that the Oregon Legislature recently passed to increase fuel costs (Low Carbon Fuel Standard) to, we're looking at a possible gas tax in an upcoming transportation package, and who is already struggling with labor force – not to mention our recent and current port struggles... We are not California, we do not have their

problems, and our diesel-dependent trucking industry is getting better. Because trucking companies are continuously upgrading their fleets/trucks with stricter emissions controls, older trucks are already being phased out and replaced by the cleaner burning trucks as companies can afford to do so. Disrupting this process by mandating a costly upgrade is an added burden to businesses and commerce – and more importantly, completely unnecessary.