



March 8, 2017

Senator Michael Dembrow
Chair, Senate Committee on Environment and Natural Resources
Oregon State Legislature
900 Court St. NE, Hearing Room C
Salem, Oregon 97301

RE: Senate Bill 1008

Dear Chair Dembrow, and Members of the Committee:

Diesel exhaust is a major public health threat in Oregon, and we commend the committee for proposing strong actions to address this threat. The Volkswagen settlement provides a one-time infusion of funds to help Oregon move away from high polluting diesel engines. We support the focus on ensuring that these funds are used in ways that provide public health benefits to our most heavily impacted communities.

However, in addition to short term benefits, we should also put these funds to work leveraging long term public health benefits by transforming key markets away from diesel power to cleaner alternatives. That will ensure that the health benefits continue long after this one time funding has been spent. In the process, this will also help us get the biggest return on our investment by also reducing greenhouse gas emissions.

As the Committee and stakeholders continue their work, we would like to suggest the following:

Make strategic investments in electric vehicle charging. The Volkswagen settlement allows up to 15% of the funds to be applied toward the costs of electric vehicle charging infrastructure. Most states are eagerly applying these funds to that purpose, and we believe Oregon should do the same. These investments should be targeted to employers, apartment buildings, and neighborhoods that are most impacted by air pollution.

Leverage market transformation. It would be penny wise and pound foolish to use the funds to keep old, polluting equipment running – or subsidize slightly less polluting diesel equipment – where there are opportunities to leverage a market shift to zero emission equipment. For example, electric transit buses are increasingly competitive with diesel buses, and small incentives from this fund could help fuel a

major transformation in that market in the next 5-10 years. Electric school buses, garbage trucks, and other heavy equipment is increasingly competitive as well. Natural gas powered equipment is also increasingly available. We should ensure that investments in totally clean equipment are eligible – and in most cases preferred.

Ensure criteria are robust. We generally support giving DEQ flexibility in program design and the use of funds. However, we would like to ensure that the Legislature's direction to the department includes prioritization of long term, lasting benefits to air quality and maximization of joint benefits to clean air and reduced climate pollution.

Thank you for the opportunity to testify, and we look forward to working with stakeholders on this issue in coming weeks.

Best regards,



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About Drive Oregon. Drive Oregon is a nonprofit organization working to accelerate the growth of the electric and “smart” mobility industry and promote greater adoption of these technologies. Historically, Drive Oregon has been funded in part by Oregon State Lottery funds through the Oregon Innovation Council, but our work on this proposal is funded by our 120+ member companies and organizations; no state funds are ever used for such purposes.