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Oregon Senate Committee On Environment and Natural Resources
Chairman Dembrow
Oregon House Committee On Energy and Environment
Chairman Helm
Joint Committee Hearing
SB 1507 and HB 4001
February 7, 2018

Chairman Dembrow and Chairman Helm, as well as members of the Committees, my name is Mark Gibson; I have served in past years as Chairman of the Board for the Oregon Trucking Associations. I am currently President and CEO of Siskiyou Transportation, Inc. and Timberland Helicopters, Inc. Both small businesses located in Ashland, Oregon. We have been in business since 1981. We employ an average of 25 full-time employees and depending on the season operate 14-18 trucks. Our companies provide trucking; primarily logging and chips, as well as helicopter and snow-cat services to various governmental agencies utilities and private companies throughout the western United States. Small business challenges are many and can be large at times, while the profit margins are small.

Trucking companies throughout the United States have been hit with numerous regulatory as well as market factors which have greatly increased our costs. Coupled with a tremendous driver shortage makes the struggle to maintain a healthy, profitable small business even more of a challenge. We in Oregon have been especially hard hit,

due to the fact that we, as trucking companies, are already paying the most of any state in terms of highway use taxes and related fees. The industry, as recent as last year, helped support a tax increase in the form of HB 2017. In January of this year we began paying, on the whole, 25% more in weight mile tax. Over the next several years that number will increase to 53%. The bill we are discussing here today, SB 1507 will raise the average cost of fuel in Oregon by \$.16 per gallon and the cost will likely go up from there. We can't absorb it. Fuel and wages fight for number one in terms of operating costs. Oregon already has a Low Carbon Fuel Standard in place that has resulted in a net increase in fuel costs. We can't afford, and more importantly do not need another program.

I know there has also been a great deal of discussion about implanting a program to remove older trucks from the road, similar to California's CARB program. My company operates nearly as much in California as Oregon. We were forced to replace those trucks that operate in California to maintain compliance. That in itself was a major financial burden. Now, Oregon wants to move in the same direction. California offered many incentives that Oregon can't afford to offer. In just the log truck grant program, California paid companies as much as \$60,000 per truck to replace the vehicle with a compliant model. Oregon has a number of financial hurdles to overcome. It seems unlikely they will, or I should say are able, to afford to offer any incentives.

Over time, trucks will be replaced through mechanical attrition. Technology will improve as driven by the market to help new trucks become more dependable and economically viable for more companies. Low Carbon Fuel is here. Oregon cannot

afford to be on the forefront of this forced technology change and increased costs, especially when we are already ranked so very low in terms of our contribution to national, as well as global pollution. Please, I urge you to consider what I have said here today and not move forward with this bill.

Thank you,

A handwritten signature in black ink on a light gray background. The signature reads "Mark D. Gibson" in a cursive, flowing script.

Mark D. Gibson
President