



DATE: *February 7, 2018*

TO: *Senate Committee on Environment & Natural Resources – Chair Dembrow
House Committee on Energy & Environment – Chair Helm*

FROM: *Diane DeAutremont – President, Lile International*

RE: *Senate Bill 1507 / House Bill 4001*

My name is Diane DeAutremont and I am the President and an owner of Lile International, a company which provides moving, storage, warehousing and distribution services for household goods and high value products. We have six locations in the state of Oregon. We are a 2nd generation, 100% Woman-Owned small business that employs about 350 people in total and about 200 within Oregon. I am also currently serving as the Chairperson of the Oregon Trucking Association.

Speaking as the Chair of OTA I'd like to highlight the major objections that our industry has regarding this proposed legislation:

Oregon already has a Low Carbon Fuel Tax in place. An additional tax is duplicative and we should only pay once to support the goal of reducing emissions.

Oregon already has the highest taxes in the nation levied on the trucking industry.

Since many of our trucks are engaged in interstate transportation, it is especially difficult for industry participants to comply with a patchwork of regulations existing across state boundaries.

Financial incentives should be provided to help the trucking industry modernize their fleets in order to take advantage of the improved technology available in newer trucks that results in reduced emissions.

Finally, as a business owner I like to think that my company is well-differentiated in the marketplace due to the quality services, capacity and convenience we offer to our customers. The reality however is that the service we provide is a commodity with the associated thin margins found in commodity businesses. In fact, our profit margin target for 2018 is 2.5%, a number we haven't been able to attain in the last couple years, and being, we hope reasonably optimistic, we have aggressively targeted a profit margin

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of 5% in the year 2021, which will be a very good year for us. I provide this detail only to demonstrate how essential it is that we manage our expenses, the largest of which are wages and fuel.

Trucking companies in Oregon are already paying the costs associated with the Low Carbon Fuel Standard and we recently signed on to support a 53% increase in our weight/mile taxes even though we were already paying more in taxes to operate our trucks than in any other state. It will be difficult to pass on another increase to our customers and because of the competitive nature of our businesses, I fear it will be, as it has been in the last several years, our employees who will be most impacted by the addition of yet another external expense we cannot manage. In addition to experiencing increased costs for the goods and services they require for themselves and their families, their employer's ability to regularly and reasonably provide pay increases will be challenged.

I urge you to consider my testimony and that of the others here today and not move this bill forward.

Thank you for your time and consideration.

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