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Oregon Joint Committee On Carbon Reduction
Co-Chairs Dembrow and Power
Oregon House Committee On Energy and Environment
Joint Committee Hearing
HB 2020
February 18, 2019

Chairman Dembrow and Chairman Power, as well as members of the Committee, 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, drone 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. As a matter of fact we pay over 30% more than the number two state...California. The industry, in 2017, helped support an industry tax increase in the form of HB 2017. This increase will amount to a 53% increase when it is complete. The bill we are discussing here today, HB 2020 will raise the average cost of fuel in Oregon by between \$.16 and \$.20 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 without change to our current truck taxation system. It would make sense for Oregon to adopt a fuel tax in place of the current weight-mile tax, similar to nearly every other state in the nation. This change, however, must be revenue neutral and must not change the way we fund and utilize our highway trust fund. A diesel fuel tax would be more efficient, allow for less aversion and be more cost-effectively managed than the current weight-mile tax.

The other benefit of a fuel tax is it would incentivize the replacement of older trucks with the added benefit of better fuel economy. The other advantage of newer trucks is reduced emission. Additionally, over time, trucks will be replaced through mechanical attrition as well. 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 push to embrace Cap and Trade, greatly increasing costs to our industry, without mitigating those added costs through

changes in our current system, 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.

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