

Before the Joint Committee On Carbon Reduction
House Bill 2020
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Testimony of Andrew Owens

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First, I would like to thank the committee for traveling all the way down to Southern Oregon and also for allowing me to testify this morning on HB 2020, which is lining up to be a major piece of legislation with potential negative impact on Oregon's trucking industry and our economy as well if some revisions and considerations to the bill aren't forthcoming.

My name is Andrew Owens and I'm the CEO of A&M Transport located in Glendale Oregon. We operate 130 trucks on the I-5 corridor throughout OR, WA & CA and provide 175 family wage jobs here in Southern Oregon. My dad purchased our first truck in 1972 and we now have 3 generations of family members active in our business. Other than going off to college for 4 years, trucking and working within our family business has been my life and I wouldn't have it any other way.

With that being said, I've seen a lot of changes within our industry over the years, some good, some not so good, which I don't intend to elaborate on this morning but I do want to talk about operating a truck in Oregon and how HB 2020 could elevate our costs to a level that will make us uncompetitive with the national trucking community.

First off, my initial interpretation of HB 2020 would indicate that is a Cap & Trade aimed at the transportation sector as most other sectors have been either exempted or have been given free passes. The expected increase in fuel prices as a result of HB2020 are expected to increase initially by 15 to 20 cents per gallon and then the sky is the limit in the near future, nobody can really tell us, which is a bit unnerving. According to ATRI (American Transportation Research Institute), Oregon ranks #1 as the most expensive state in the nation to operate a truck. I can think of a lot of things that it's great to be #1 at, but this ranking, none of us should be proud of. The #2 state, CA, is almost \$9K per year less expensive to operate in. Adding the additional costs of HB2020 would just put Oregon further ahead of the pack in a bad way.

The driver shortage that is currently in an epidemic form both nationally and here in Oregon has caused trucking companies to elevate wages and benefits to try to attract drivers. These costs have been offset by the increase in freight rates to customers thus resulting in higher prices for consumers. The results of HB2020, if left as is, will result in additional operating costs that will need to be offset as well with increases in rates to customers which ultimately increases costs to consumers.

I'm a lifelong Oregon resident who appreciates the clean air and water that we all enjoy so I'm not totally opposed to the concept of HB 2020, I'm just opposed to some of the content in the bill and the potential impact on trucking costs. For several years, we (the trucking industry) knew that a Cap & Trade bill in some fashion or another would be coming so HB 2020 isn't a surprise. What I ask of you though, is to find a methodology to deploy it so that the implications are "cost neutral" to transportation. A consideration would be to eliminate the out dated "Weight Mile Tax" on heavy trucks and replace it with a fuel tax program just like every other state in the nation while keeping in mind the protection of the Highway Trust Fund and the need to make all forms of motoring vehicles pay their fair, proportionate share.

Nationally, trucking provides 70% of the transportation needs. Here in Oregon, that percentage increases to almost 80%. A stable trucking industry is vital in this state to efficiently service our manufacturers plus provide services to the consumable goods supply chain to ensure that Oregonians are able to purchase the items needed for personal use at reasonable prices.

Please consider the impact that increased costs to transportation have on every aspect of Oregon's economy and prioritize your legislative decisions accordingly.

Respectfully submitted,



Andrew Owens