

To the Joint Committee on Carbon Reduction,

My name is Bart Sherman, CEO and President of Sherman Brothers Trucking. We own over 200 trucks along with 600 trailers, operating out of our main office in Harrisburg, Oregon as well as terminals in El Dorado and Crossett, AR. I am the immediate past chairman of the Oregon Trucking Association and was acting as chairman during passage of House Bill 2017.

The Oregon Trucking Associations supported House Bill 2017 because improving transportation infrastructure reduces congestion through the addition of new capacity. This results in reduced carbon emissions.

It also comes with a price. The bill added heavy costs to the industry, increasing weight-mile and other taxes by over 53% over an 8-year period. This ensures Oregon is the #1 most expensive state in the nation for highway user fees. Our taxes are 32% higher than California. The transportation industry simply cannot support additional cost increases.

House Bill 2020 is expected to increase fuel prices by 15-20¢ per gallon. To offset this, any increase in fuel costs should be an equal reduction in our increase from HB 2017. The funds generated by HB 2020 need to be directed to State Highway Trust Fund.

As a part of HB 2020, lawmakers should consider a different taxing strategy for heavy trucks. Our current weight mile system is antiquated and an administrative nightmare. As an example, I may have a local driver do five loads in a day. My fleet consists of axle configurations from 5 to 13 axles do accommodate weights, road restrictions, and weather going to Canada. Each of these trips would have a different weight table and rate to use. Multiply that by 200 trucks at five loads a day and you can start to see the frustration with our current system.

Companies are audited every three years for accuracy. It is a small percentage of companies that are audited, especially out of state companies. It is assumed that the evasion rate is 5%. I think it is 15-20%. Either way I am paying for someone else's taxes. Going to a fuel tax system at the terminal would eliminate me paying other companies' taxes!

The fuel tax system is used in all other states. It is easy to compare rates between states. It is easy to administer and report. It benefits those who have better fuel efficiency.

Oregon already has a low carbon fuel standard, so HB 2020 would be stacking on top of existing standards. We ask that either the low carbon fuel standard is repealed, or HB 2020 is delayed until statutory goals of the low carbon fuel standards are met.

HB 2020 does not have any reasonable cost containment provisions to protect consumers from price spikes. Fuel costs are not the only cost increases the transportation industry will see. Steel, for example, will be an industry affected and our trucks and trailers are mostly steel. Both HB 2017 and the low carbon fuel standard have cost containment provisions, it seems prudent that HB 2020 also contains provisions.

It is also our opinion that we have a national system rather than just the state. If we go to a state program, we ask that the program precludes local governments implementing their own carbon reducing programs.

Bart Sherman

CEO/President Sherman Bros. Trucking