

March 9, 2021

To: Chair Marsh and Members of the House Committee on Energy & Environment  
From: Sharla Moffett, OBI  
RE: OBI Testimony in Opposition to HB 2814

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### **Chair and Members of the Committee:**

Thank you for the opportunity to submit written testimony on this important issue for Oregon Business & Industry members. OBI is Oregon's most comprehensive business association representing approximately 1,600 businesses that employ nearly 250,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

OBI has serious concerns HB 2814 and the -1 amendment. As written, thousands of businesses as well as government and public institution locations could be regulated as indirect sources.

Last year, the Environmental Quality Commission considered and unanimously rejected a petition to more stringently regulate indirect sources. We believe that was the correct decision.

We are concerned that HB 2814 would establish a duplicative and costly indirect source regulatory program, particularly since DEQ has long regulated indirect sources. The bill is vaguely written and has no regulatory sideboards, which means it could regulate a food cart, grocery store or neighborhood boutique with even a modest number of cars and trucks traveling to it. Tourist destinations in your districts could be regulated as indirect sources. The Oregon State Capitol building itself is also certainly an indirect source of mobile emissions and would likely be regulated under this bill.

OBI believes it is crucial that we continue to take actions that result in cleaner air. OBI members work closely with DEQ regulators to obtain air quality permits and implement programs like Cleaner Air Oregon to improve air quality in the state.

Since the inception of DEQ's indirect source program, more than 400 sources have been evaluated and not one has been found to cause a violation of State or National Ambient Air Quality Standards, which is what indirect source programs are intended to address and the reason programs are adopted.

We believe it is critically important for the committee to consider the tremendous body of law and regulation that currently exists and is being implemented to address emissions from mobile sources and improve Oregon's air quality.

With respect to the indirect source petition considered last year, DEQ prepared a [34-page report](#) to the Environmental Quality Commission on its findings. It listed well over 10 programs that address emissions and rulemaking is now in progress for HB 2007. HB 2007, passed in 2019, is praised as one of the strongest diesel laws in the nation and will take older diesel engines out of service over the next few years.

Also in that same report, DEQ recommended numerous actions to evaluate the impact of these programs to inform future regulatory needs. These actions are in progress, and it is important that we allow this work to be carried out and not prejudge or prematurely act on additional regulatory programs while DEQ is working to gather and evaluate this essential information.

Finally, in the report, DEQ noted the substantial new resources that would be required to implement the program contemplated in last year's petition. We fear that such a program would divert resources from DEQ's core air quality programs when budgets and staffing are already strained, even considering the hefty fee increases on air quality permits last year.

OBI respectfully urges the committee not to move forward with HB 2814. Please contact us should you have questions.

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