



We appreciate the opportunity to respond to House Bill 2396 and register our strong opposition.

Oregon Farm Bureau (OFB) is the state's largest general agriculture association, representing more than 6,000 families engaged in farming and ranching across every county in Oregon.

HB 2396 provides an open-ended directive to the Environmental Quality Commission (EQC) to create a new program to regulate indirect sources, including the regulation of emissions associated with construction and operation of an indirect source, and regulating aggregate emissions from on-road and nonroad vehicles and engines. The implementation of this indirect source program is likely to impose significant new and unnecessary regulatory burdens on the agricultural sector.

Oregon has long regulated indirect sources and DEQ has evaluated more than 400 indirect sources under its indirect sources program. **No indirect source has ever been found to cause a violation of air quality standards, which begs the question of why we need a duplicative program.** There are plenty of DEQ programs that target mobile sources of air pollutants.

This new program has the potential to impose significant new costs within our industry. The last several years have been extraordinarily difficult for small businesses and Oregon's farmers and ranchers. The global COVID-19 pandemic hit Oregon's agricultural sector particularly hard, leaving farmers and ranchers facing domestic markets that dried up overnight, crashing export markets, and struggling to adapt to COVID-19 related challenges, including protecting their workforce, significant changes in regulatory requirements, and drastic shifts in the political landscape. We're now continuing to deal with inflation, workforce shortages, and the passage of more and more taxes and fees. These challenges resulted in falling prices for many agricultural commodities and increased costs of doing business for Oregon's producers.

Our members are price-takers. Oregon's farmers and ranchers cannot increase the price they charge for their products in the face of increasing business costs.

The proposed program within HB 2396 has far greater impacts to the agricultural sector than the program that was **already considered and unanimously rejected** by the EQC in January 2020. The impacts of this program would be particularly hard on Oregon's new and beginning farmers and ranchers, many of whom are trying to vertically integrate and farm in Oregon's more urban areas, where they would be most likely to be targeted by this program. A new program is likely to include analysis, review, and permitting requirements.

The cost of air quality analysis and permit preparation alone will be prohibitive for small farmers, and substantial delays would be caused by review requirements. DEQ has previously acknowledged they would need additional staff and funding for the program, meaning additional fees would either be imposed on businesses or requested from the General Fund.

It is our understanding that this program is intending to target diesel particulate statewide, **while diesel particulate is not a concern throughout most areas of the state.** Furthermore, our industries act as a net carbon sink. We are already doing our part to improve air quality and protect the environment.

Oregon's agricultural sector is already struggling under the cumulative regulatory burden of recent legislative sessions. HB 2396 creates a program that is a very expensive solution in search of a problem - it would do little to address public health concerns but would do much to put Oregon's small businesses out of business.

America's farmers and ranchers play a leading role in promoting soil health, conserving water, enhancing wildlife, efficiently using nutrients, and caring for their animals. For decades they have embraced innovation thanks to investments in agricultural research and adopted climate-smart practices to improve productivity, enhance sustainability, and provide clean and renewable energy.

Please do not create unnecessary new programs that would only harm Oregon's new and beginning farmers, reduce innovation, and impose even more cost increases.

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