



February 15, 2023

TO: Members of the House Committee on Climate, Energy & Environment

FR: Sharla Moffett, Oregon Business & Industry

RE: HB 2396

Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses and employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to provide testimony on HB 2396, which OBI opposes.

Since the Environmental Quality Commission unanimously denied a petition from air quality activists in 2020 to establish a large and expansive indirect source program, a large number of varied programs reducing mobile source emissions have been implemented at the legislative, agency and local government levels. These include, but are not limited to, the Climate Protection Program, Clean Fuels expansion, Clean Cars rule, Clean Trucks rule and the Portland Renewable Fuel standard. I want to underscore that these regulations are new and have been adopted since 2021, when the indirect source bill was introduced. Moreover, according to DEQ, more than a dozen programs aimed at reducing mobile source emissions were in place before 2021.

These new programs are just that—new. It takes time for new programs to go into effect and time to operationalize them. But layering regulatory program upon regulatory program just because we can't see their impact today will only exacerbate the challenges Oregon businesses are experiencing like those identified in the Semiconductor Task Force report.

Our society is mobile. We don't believe it makes sense to adopt a new program that would punish schools, hospitals, community centers, retail outlets, worksites or other places where people need to go for work or care, or want to go for social connectivity. Instead, we should focus on putting existing programs to work and measuring their impact.

While we are still digesting the -1 amendment, we would like to note that the language in Section 3 subsection (3)(c) and (d) looks very much like an emission standard, which is preempted under the federal Clean Air Act. The only state allowed to establish emission standards under the Clean Air Act is California, so this language is very likely unlawful.

OBI respectfully urges the committee not to move forward with HB 2396.

Thank you.