



March 2, 2022

Chair Janeen Sollman
Vice-Chair Lynn Findley
Members of the Senate Committee on Energy and Environment

Re: SB 803 ignores shortage of renewable diesel and potential supply chain challenges

Chair Sollman:

I strongly oppose and I urge you to oppose SB 803, which would ban nearly all diesel fuels in Oregon.

My name is James Bobst. I am the Vice President of Pacific Fibre Products, Inc., and Lemmons Trucking, Inc. While we are based in Longview, Washington, the passage of SB803 would negatively impact, and severely cripple our four wood products manufacturing facilities. Lemmons Trucking has just celebrated its 75 Anniversary and Pacific Fibre Products celebrated its 40th Anniversary. We are a Third Generation business. We currently have operations in North Plains, Molalla, Canby, and Central Point, Oregon.

We currently have 50 families employed within Oregon. We provide an excellent, family wage and a rich benefits plan that covers the employee, spouse, and children. These benefits include a robust health insurance plan, dental, vision, and an employer-provided life insurance plan. We provide 9 paid holidays, 48 hours of PTO, and paid vacation. We have a profit-sharing plan and a 401(k) plan with an excellent employer match.

We are known as excellent stewards in the communities where we are located. We take pride in the fact that our nonpolluting manufacturing operations use 100% of the timber resource we utilize. We haul nothing to landfills, with the exception of customary refuse.

While I recognize that this bill seeks to force a shift to renewable diesel an exciting emerging alternative "drop in" fuel for Oregon trucking companies, the narrow nature of the mandate included in the bill, as well as the significant supply issues for renewable diesel, ignore the realities of implementing such a mandate. And as the legislature continues its push to renewable diesel to other sectors of industry, including manufacturing, such a mandate would severely impact the heavy equipment that we operate to move raw and finished materials in our manufacturing plants as well.

SB 803 would ban the sale of petroleum diesel on a regional basis beginning in 2026 and encompassing the entire state by 2030 in an attempt to force the fuel industry to switch to renewable diesel as the fuel choice for all on-road diesel applications. While many Oregon carriers have been actively looking for supplies of renewable diesel, given it doesn't require expensive investment in new equipment and its use is only limited in extremely cold weather conditions, the current supply does not meet that demand.

Renewable diesel supply shortages simply will not be improved in the three short years when this bill would go into effect. There is not currently enough renewable diesel available to meet Oregon's fuel demands and this bill will not send a "market signal," so supply will somehow become available. Production of renewable diesel is limited, and to date Oregon DEQ has denied permitting a facility in our state.

Further, Oregon already provides incentives and regulations to drive a transition to more renewable transportation fuels. This effort has been accelerated by the Governor's Executive Order 20-02 and recent changes to the Clean Fuels Standard. SB 803 would create a duplicative program that would only add to the cost of products for Oregon consumers.

If SB 803 were to pass, fuel shortages would have a significant impact on Oregon's trucking industry and supply chains for all Oregon consumers. I ask you and your committee to oppose this short-sighted, dangerous proposal and vote no on SB 803.

Sincerely,



James Bobst

Vice President-Corporate Relations/HR
Lemmons Trucking, Inc.,
Pacific Fibre Products, Inc.,