



# Associated Oregon Loggers, Inc.

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*A Trusted Partner for Oregon's Forest Operators*

August 27, 2025

The Honorable Senator Rob Wagner and Representative Julie Fahey  
Joint Interim Committee on Transportation Funding  
Oregon State Capitol -- 900 Court St NE; Salem, OR 97301

Subject: LC 2, Transportation Funding Concept

Dear Co-Chairs Wagner and Fahey, Co-Vice Chairs Bonham and Drazan, and Committee Members:

I am writing to offer comment concerning proposed LC2 (8/19/25), Transportation Funding Concept.

Please accept these comments on behalf of Associated Oregon Loggers, Inc. (AOL), representing over 900 member businesses and approximately 20,000 people working in Oregon's rural forest contract sector statewide. Our trade association provides voice and business services to these small forest enterprises that manage, own, grow, construct, maintain, protect, and transport materials and workers from forest to market. We represent interests of the forest contract trades businesses that conduct reforestation, firefighting, thinning, harvesting, roading, construction, aggregate, improvement, vegetation release, utility clearing, and trucking.

Oregon's public roads and highways are a vital foundation for this state's forest business productivity and its transportation necessary to access and manage 30 million acres of forestland and to sustain Oregon's top-three traded good industry: our forest sector.

- LC2 isn't perfect. We had aimed for a better proposal that was vetted through a bipartisan collaboration that never happened.
- After years of political gridlock, this package would provide a fairer and simpler system. LC2—with both positive and negative aspects—is a transportation package that would directly affect our industry and the working families whose livelihood surrounds managing Oregon forests.

## **Several measures of LC2 that we support:**

- LC2 would make long-needed adjustments to Oregon's transportation tax system. For years, truckers overpaid into the system – by more than \$600 million. LC2 acknowledges that reality by holding truck rates steady for several years instead of increasing them, helping offset the imbalance we've carried.
- LC2 would simplify compliance for trucking by reducing the number of weight mile tax rates and adding a fuel tax mechanism that provides a built-in audit tool. This shifts the way trucking pays taxes in Oregon from an outdated and costly weight mile tax system to a diesel tax with a supplemental weight mile tax that will be favorably simplified.
- The proposed reduction of flat/annual variance fee levels for log trucks would foster productivity and growth for the harvesting segment of our industry, at a time when small businesses urgently need greater fiscal efficiency.
- LC2 would enact a good provision, which codifies that if the legislature failed to act to balance light and heavy vehicle tax burdens, then the Department of Administrative Services (DAS) may



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adjust rates – but only if there is an actual imbalance, and only to restore equity between light and heavy vehicles. This is a needed check and balance.

## **Several measures of LC2 that we oppose:**

- Forcing an unknown tax and fee fiscal burden onto Oregonians during the last days ahead of the Legislative Special Session without sufficient engagement is unfair, harmful, and lacks transparency. Enacting new, higher tax and fee costs on all business sectors and citizens is opposed by a majority of Oregonians. Additionally, this higher spending and taxation would be channeled to broken transportation agencies procedures and non-highway priorities—while lacking sufficient efficiency reforms and ODOT accountability upgrades.
- The proposed higher flat/annual variance fee levels for dump bodies (sand, gravel, dirt, other) would unreasonably impact the road construction and maintenance segment of our industry, at a time when small businesses cannot afford another added inflationary burden.
- LC2 harmfully includes a 6-cent gasoline tax increase in 2026 that impacts small businesses and working families.
- LC2 would significantly cost working Oregonians with many added new and increased transportation-related fees. LC2 would punish working Oregonians with higher transit taxes.
- LC2 neglects to implement the desired efficiency recommendations from ODOT's consulting report. The Republican Transportation Funding Plan (LC 4934) suggested efficiency measures to preserve core ODOT operations and maintenance functions critical in rural Oregon.
- Our transportation priorities should be focused on growth opportunities for commerce, rather than adding more policies that limit business, employment, and transportation of goods-services-people. Economic growth, rural commerce, industry, and community issues are not effectively balanced among all competing interests. Insufficient funding priority to address concerns over crumbling roads, bridges, and capacity growth on overcrowded roadways.
- LC2 fails to curb rising ODOT spending in non-essential and unaffordable programs that fail to directly contribute to highway safety, commerce, and capacity growth of highway infrastructure.

## **Conclusion**

Finally, forest sector working families, forest truckers, and rural businesses cannot prosper or grow under the burdens of Oregon's higher taxation and fees, an inefficient ODOT, existing deteriorating highways, excessive urban-centric spending, and disproportionate vehicle taxation on business. In the future we must do better for an All-Oregon robust and growing economy.

Thank you for the opportunity to comment on working families and rural forest business transportation.

Sincerely,

Rex Storm, Certified Forester, Executive Vice President, Associated Oregon Loggers, Inc.