

Submitter: Evan Oneto
On Behalf Of: FedEx
Committee: Joint Special Session Committee On Transportation
Funding
Measure, Appointment or Topic: HB3991

Hello–

My name is Evan Oneto, Past Chair of the OR Trucking Assn & FedEx Representative for Oregon where I represent 5,000 of my fellow team members employed here in the state, and I am here today to testify in support of LC 2.

I share my colleague Erik Zander's frustration. Eight years ago, we agreed to support HB 2017 to raise our own taxes because Governor Brown personally assured us it would prioritize fixing the bottlenecks along the I-5. Today, it seems we aren't any closer to that goal of improving congestion on the most vital international corridor in our nation.

So here we are again, being asked to support another transportation package – not to fulfill the promises already made to us, but to simply keep the system we have up and running.

Despite that history, I am here today to support this bill. I recognize additional reforms are needed in this area. This is however a serious and major step in the right direction – and more importantly – it's the only serious solution in front of us. This bill is the only bill that attempts to correct six years of tax overpayment by the trucking industry to the tune of nearly \$600 million. An overpayment for which over-the-road carriers like my company are the biggest payers, due to an outdated weight-mile tax that doesn't apportion tax liability accurately. This bill finally fixes that error by moving Oregon to a hybrid tax system that includes a diesel tax.

We are the only state in the nation that does not have a diesel tax in place, and Oregon carriers have paid the price for that oversight.

>First, a diesel tax is the simplest way to apportion taxes accurately – you pay for exactly how much you use.

> Second, it will finally reveal exactly how much tax evasion has been occurring over the years – a problem which we believe ODOT may be underestimating – due to the fact that the weight-mile tax is incredibly difficult to audit and nearly impossible to catch those who simply don't report at all – since OR doesn't participate in the Int'l Fuel Tax Agreement.

> Lastly, by modernizing our tax collection system, it will result in a dramatic

reduction in the administrative cost of the tax— both on the side of the payor and the collector — savings which ODOT is in desperate need of at this time.

For these reasons, I am here today to ask members of this committee and Legislature to support LC 2. While it almost certainly doesn't contain everything either side wants, it does address the most urgent needs of this state and this industry, which has been forced to carry far more than our share for far too long.

Thank you.