

**HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT**  
**900 COURT STREET, NW-HR-F**  
**SALEM, OREGON 97301**

February 19, 2019

Re: HB 2063

Dear Chair Helm and members of the Committee:

Oregon has a unique opportunity to address an acute air quality threat that shortens the lives of over 400 Oregonians annually: pollution from dirty diesel engines -- including off-road engines used in construction equipment.<sup>1</sup> By applying Volkswagen settlement funds to cleaning up dirty engines the legislature will improve the quality of life for Oregonians, while also reaping long-term savings from avoided medical costs and lost worker productivity. For every dollar invested in cleaning up old diesel engines, the state will earn back ten dollars in public health benefits.<sup>2</sup>

The methodology laid out in HB 2063 for dispersing Volkswagen settlement funds presents a reasonable and well thought out approach. The open and flexible approach prioritizes spending in areas with the highest concentration of pollution from diesel engines and for contractors with the greatest financial need, like disadvantaged business enterprises.

Local governments in the Portland Metro area are doing our part to address pollution from dirty diesel engines. Over the past two years, the City of Portland, Multnomah County, Metro, Port of Portland, Washington County, and Clackamas County have worked together to develop Clean Air Construction Standards. These standards are contracting specifications that participating governments will apply to public construction projects. The standards will phase in the use of the cleanest available equipment over time.

The jurisdictional partners carefully considered the standards to strike the proper balance between pollution reduction goals while also providing a flexible timeline for industry compliance. There is particular concern that these standards could create barriers for small businesses. For this reason, the successful implementation of these local programs hinges on the use of Volkswagen settlement dollars. If the legislature adopts the methodology outlined in HB 2063 then local contractors can compete to upgrade their non-road equipment and comply with the Clean Air Construction Standards. These funds are especially important for small contractors who are State-certified COBID firms.

We strongly urge the legislature to adopt the methodology outlined in HB 2063 for allocation of Volkswagen settlement dollars. The approach will help to ensure the success of local programs, prioritize VW settlement dollars towards those firms most in need of financial support, direct resources to areas of the State with the highest concentration of diesel pollution, and yield the greatest returns for the state overall.



CC: Sen. Michael Dembrow, Rep. Karin Power

<sup>1</sup> State of Oregon. Department of Environmental Quality. The Concerns about Diesel Engine Exhaust. Operations Division. Portland. 2015

<sup>2</sup> Multnomah County. Health Department. Case Study: Clean Diesel Retrofits on the East County Courthouse. Public Health Division. Portland. 2012 | Multnomah County. Office of Sustainability. Metropolitan Contractor Clean Diesel Improvement Project: Advancing Environmental Justice Through Cleaner Air and Economic Opportunity. Portland. 2017