

WA Trucking Assns

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WASHINGTON TRUCKING ASSOCIATIONS

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Thank you for the opportunity to provide comments concerning the \$112.7 million Washington is set to receive through the Environmental Mitigation Trust ("Trust") established in the VW settlement. The purpose of the Trust is to fund projects to immediately reduce emissions of oxides of nitrogen (NOx) to mitigate the excessive NOx emissions generated by the population of VW cars in Washington found to have been outfitted with a device to sidestep U.S. EPA requirements.

Because the Trust was established with the express purpose of mitigating emissions of NOx, we believe that the state should focus on the largest sources of NOx emissions in the state and then make the most cost effective investments to achieve immediate term NOx reduction that will improve air quality in the near term for all Washingtonians and ensure compliance with the goals of the Trust. In addition, we believe investing the funds in private companies will have the impact of harnessing grant funds along with personal investment funds which will help stretch investments toward cleaner air even further.

The Washington Trucking Associations represents companies in Washington of all sizes from publicly traded, large international carriers, to privately held, locally owned trucking companies. That said, our industry is made up largely of small businesses, with over 97% of companies operating fewer than 20 trucks. The trucking/transportation industry employs 1 out of every 18 Washingtonians. Driving a truck on Washington roads, poses its own set of challenges. According to a 2017 American Transportation Research Institute study on highway bottlenecks nationwide, Washington tops the chart in terms of west coast states as home to 9 of the top 100 bottlenecks in the nation. Congestion costs the industry \$49.6 billion annually nationwide, equating to 728 million lost hours of productivity which is spent idling in traffic. According to the Department of Ecology's Draft Mitigation Plan "projects along the I-5 corridor, located near and between the Ports of Seattle and Tacoma, including SeaTac Airport, represent the type of area that deserves priority consideration."

With this in mind, the members of the Washington Trucking Associations urge you to consider using the VW settlement funds in part to fund the ScRAPs program which was designed for the Drayage industry in order to improve regional air quality. Trucks that serve the Ports have been facing a looming deadline to upgrade older trucks to 2007 or newer before January 2018. The ScRAPs program has been instrumental in helping the industry make the Ports clean air initiative possible. However, the ScRAPs program has run out of funding, at last check only 52% of trucks serving the Ports of Seattle, Tacoma and Vancouver are upgraded. It will be imperative for the industry to continue to make the transition to newer, cleaner trucks to secure grant funding to enable, especially the smallest one-truck operations, to comply. We feel by funding the ScRAPs program it will ensure the goals for NOx emissions and mitigating the issues created by the sidestepping VW cars in the right places where congestion, therefore emissions are concentrated.

In addition, to ensure that all commercial truck operators have an opportunity to explore options and incentives for cleaner vehicles, we recommend you consider additional funding and an extended timeline for the current “Clean Alternative Fuel Commercial Vehicles” B&O and/or Public Utility Tax credit offered through the Washington Department of Revenue, see [RCW 82.16.0496](#). This incentive is not fuel or technology specific, in order to encourage investment in a variety of alternatives for different applications and a cleaner environment. Washington Trucking Association members have been supportive of this program since its original passage, and with the passage of HB 1809 in 2017 to enhance the incentive to allow greater credits. The current program is funded for a specified amount and is set to expire January 1, 2022. There is a reason the credit is underutilized, however. The trucking industry is currently experiencing a revolution in new technologies, including the proliferation of all electric Class 8 trucks for which there are many manufacturers, however, nothing is yet in mass production in the US. In addition, there are available hydrogen technology systems currently being tested and in the process of seeking certification credentials in order to be considered “proven” by the most rigorous environmental standards. The availability and affordability of these technologies and others will likely require incentives that extend beyond 2022 in order for our small businesses to take advantage of them to upgrade older trucks, or make conversions to cleaner technology. In many ways the buying process is much the same as a consumer goes through in considering purchasing a hybrid or electric car, however, for the commercial trucking industry the dollars and the issues are on a much larger scale. Many things have to be considered including fueling or charging infrastructure, employee training, ability to service the vehicles, and other operational considerations. As is, investment in these technologies before infrastructure and other mechanisms are in place currently carry too great a risk for trucking companies to justify investments. Enhancing the incentive already in place with additional dollars and extending the availability of the credit until at least 2035 will provide more time for companies to consider alternative fuels and other technologies while giving manufacturers ample time prove their technologies and begin mass production.

We appreciate the opportunity to provide industry perspective on use of the VW settlement funds.



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