

Moore-Love, Karla

From: Benjamin Kerensa <bkerensa@gmail.com>
Sent: Monday, May 09, 2016 2:12 PM
To: Council Clerk – Testimony
Subject: Heavy Vehicle Use Tax / Agenda Item 502 / Wednesday, May 11th

Hello City Council,

I am writing this email as public testimony in support of Commissioner Novick's proposed Heavy Vehicle Use Tax. As you are aware heavy vehicles such as semi-trucks and other large commercial vehicles have a heavier impact on our roads.

We need these heavy vehicles to pay a fair share towards their impact on our roads and I think the proposed ordinance change brings us closer to that goal of heavy users paying their fair share.

--

Benjamin Kerensa

HEAVY VEHICLE USE TAX

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)

ADDRESS AND ZIP CODE

Email

✓ Buck Collekton	17712 SW 81 ST N. Tualatin OR 97244	Bcollekton@TPProducts.net
✓ Daniel Kling	7720 SW Mohawk St. Bld # Tualatin, OR 97062	dan.kling@usfc.com
left ✓ Crystal Ewinski	POB 8973 97207 97207 U SF	
✓ JANA JARVIS	4005 SE Nay Rd PDX	jana@otrucking.org
✓ Myke Lake	3447 NW Front Ave PDX OR 97210	m.lake@mcconnectmotorfreight.com
✓ Diane DeAutremont	8060 SW Paffle Tigard	Diane.DeAutremont@ Life.net
✓ LAMMY GOWER	1717 NW 21ST AVE	LAMMY.GOWER@XPO.COM
✓ Ron Chouin	2390 NW HESER LN Prineville OR 97754	STINGER2@CRESTVIEWCABLE.com
✓ BILL FRITH	526 SE DIVISION PLACE Portland 97202	bill@commerciallease.biz
✓ DAVID BRALLIER	15628 SE 102ND CUMMINGS	DBRALLIER@GORDONTRUCKING.COM
✓ Jim Johnson	POB 1808 Woodland WA 98674	dispatch@gowoot.net

HEAVY VEHICLE USE TAX

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Jeff Lorenzini	146 N. Gertz Rd. Portland, OR	jeff.lorenzini@odfl.com
✓ Greg Galbraith	110 N. Marine Drive Portland, OR	gpgalbraith@markettransport.com
Ron Bowers	PO Box 519 Creswell OR 97426	ron@ronbowers.com
✓ Keith Wilson	4404 NE 32 nd Ave, FDX, 97211	KEITHWILSON@TITANIFCS.COM
✓ Pia Welch PFC	5159 NE Confoot Rd. Portland 97218	Pswelch@fedex.com
✓ Shelly Boshart	32788 Tangent Lp Tangent ^{OR} 97389	shelly@bosharttrucking.com
✓ Rob Short	1210 SW 61 st et 97221	bob@rshortassociates.com



**Testimony Before the Portland City Council
Respectfully Submitted by Jana Jarvis, President
May 4, 2016**

When I last spoke to you about a tax on heavy trucks, I talked a lot about fairness. Since then, we have received a new proposal that is perhaps the worst yet. It proposes to levy a 2.8% tax on a trucking company's statewide weight mile tax. There is no fairness in this proposal because trucking companies will be taxed on all of their operations outside of Portland as well as those within. For most companies, their operations within Portland are a small fraction of their statewide business. This is simply a method to raise \$10 million from the trucking industry over four years without a reasonable nexus to usage of Portland streets.

As much as we don't like this proposal, it could be improved in the following ways:

1. If the proposed gas tax does not pass on May 17, do not proceed with this tax on the trucking industry. Our responsibility for the costs of Portland city streets is calculated at 13%. Light vehicles are responsible for 87%. If light vehicles do not pay their fair share of the increased taxes, then there is no rationale for moving forward a tax on heavy trucks.
2. If necessary, implement an appeals process so that companies that operate only a few miles on Portland streets can receive a full or partial exemption from this tax increase.
3. If necessary, allow trucking companies the option of paying their tax either as a 2.8% surcharge on the business license tax or on their weight mile tax.

Yes, we agree that Portland needs to spend more money on streets. Yes, we are supportive of a reasonable transportation funding package at the state level in which Portland will share. This approach is far preferable to the one before you today because all users will pay their fair share as required by Oregon's Constitution and all jurisdictions will share in the proceeds.

I would also note that this past Monday, Mayor Hales presented his new budget. This proposal includes a .3% increase in the business license tax. If this tax is enacted as well as the 2.8% surcharge on the weight mile tax, trucking companies will have their Portland taxes increased twice within a matter of a few short months.

If there is one overriding point to my testimony it is that moving forward with this surcharge without the accompanying support from the gas tax is unfair to the trucking industry and runs counter to the equity arguments we heard initially when this issue was brought forward.

Thank you for considering our position.

Oregon Trucking Associations, Inc.
4005 SE Naef Rd. Portland, OR 97267
Phone: 503.513.0005 Fax: 503.513.9541
www.ortrucking.org

May 3, 2016

Oregon companies currently pay the highest fuel taxes in the US and are one of the few states that are not part of IFTA. If the State was part of IFTA they would be regulated and our fuel tax would not be where it is today, it would be much lower. State officials have no idea of our industry and the fees we pay; we are simply an easy target with our large trucks and diesel burning engines. The state of Oregon is one of the lowest rate per mile states in the US as well. Meaning that we get less money per hour and per mile than over 75% of the states and cities in the US. Why would the city of Portland and the State of Oregon want to punish an industry that employs thousands of people living in the state paying taxes and offering benefits? Why not go after the companies from out of state running in our state like the hotel industry does by taxing rooms for people visiting and traveling from out of state? Most of the companies located out of the state of Oregon that deliver into companies located in Oregon pay a fraction of the taxes that Oregon based trucking companies pay. The taxes within the state are making it almost impossible to compete with these large companies based out of state. The state has made it almost impossible to do business operating on margins of one to four cents per dollar. Now they want to hit an industry already struggling to stay in business with another tax? I do not understand. I pay over \$28,000.00 per month for Oregon fuel tax and only run roughly sixty trucks in the state. I employ 140 people and the amount of fuel tax we pay is our fourth largest expense we pay behind payroll, fuel and insurance. Companies will move their operations causing lost jobs and longer commutes if this additional tax is approved. Even worse, companies will go out of business. Currently we are seeing the lowest rates since 2010 and a massive recession in our industry. Fuel is on the rise again and I am not sure how this industry can handle any more red tape and bureaucracy associated with more taxes.

I am unavailable to attend this meeting, but I hope to god someone with the knowledge of this industry is able to speak on behalf of us.

Sincerely,

Pat Marlton Jr
President & CEO
PS Trucking, Inc.
Office 503-224-2580
Fax 503-224-3259
Email pmarlton@protrucklines.com

May 4, 2016

I am opposed to the proposal to surcharge the Oregon Weight Mile Tax for the benefit of Portland, Oregon.

The Oregon Weight Mile tax is an antiquated system. The weight mile tax, burdens Oregon carriers, is expensive to the State to administer and the evasion by out of state trucks is high and Farm Plated trucks are exempt as are the lighter trucks that service all of Portland and the rest of the State.

Witness please, an internet article from about.com and about education, economics. Find the article and read the solid truths about bad ideas getting worse by inflated administration costs.

Oregon is only one of perhaps TWO states that has a weight mile tax and receives no audit help from other states. Other States have accepted fuel tax programs thru IFTA. (International Fuel Tax Association).

A truck from New York that delivers in Portland, can sneak in and out without paying the mileage tax in Oregon. It is up to Oregon Weight Mile Tax Division, to audit and perhaps travel to other states to collect the tax assuming the carrier is still in business or solvent. This is a tremendous waste and inefficient. The Fuel Tax Program is far more accountable.

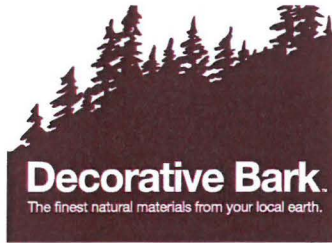
If, a weight mile tax surcharge is imposed on any Oregon Truck, that carrier should charge Portland business's more but to mirror the manner that Portland is proposing The Oregon Carrier or an out of State Carrier with an Oregon Weight Mile account in good standing should surcharge all Oregonians to the benefit of Portland.

This is taxation without representation.

If Portland has business's that want to stay in Portland let them pay more and pass it on to Portland customers and it's own customers out of the area.

This is a flawed idea that tags on to an antiquated, highly evadable tax.

Mark Brown
President, Brown Transfer, Inc.
P.O. Box 1166
Tualatin, Or.
97062



May 3, 2016

Dear Commissioner Novick:

Another tax?

I am operating a small trucking company, let me share with you all the ways I am already forking over taxes. Today, I will pay a Federal Highway Vehicle Use Tax, an Oregon Weight Mile Tax, an Oregon Registration fee for each truck, a county extended weight tax, a fuel tax and an IFTA tax for fuel burned in Washington State. Then figure in the SUTA, FUTA, Social Security match, Medicare match, Oregon's workers fund, Tri-Met tax, Workers Compensation.

Another tax?

I am a single woman who prides herself in employing 23 men who are heads of household. I have not had a raise in 10 years. Prices for our goods have remained flat and needless to say, the recession took a big bite out of our business and set us back even today. My point is, I do not get to go to my customers every year and solve my financial challenges by raising fees or prices. In fact, during the last eight years I am operating with less. I had to really look at creating a lean, efficient company. It worked. We are still in business.

Another tax? I think not. I think the answer is in your balance sheet and P & L. Look there first for the answers.

Regards,

Denece Messenger

President, Decorative Bark Products, Inc.

5/2/16

I would like to respectfully submit comments for the record in regards to Item 468, the establishment of a heavy vehicle use tax to fund Portland's city street repairs.

Although my company specifically does not cross the city limits into Portland, I write with grave concern in opposition to the above mentioned tax proposal. While I understand the need for cities to continually find new ways to fund city services, including street replacement and repair, taxing all the operations of trucks that occasionally enter the city is unfair and creates an unhealthy precedent for other political subdivisions.

Trucking in the state of Oregon already pays road use tax in a way that is very unique to the rest of the country in the use of the weight-mile tax. Most trucking companies that cross into the City of Portland spend the overwhelming rest of their time outside the city, paying weight-mile tax whether in or out of the city limits. To impose an additional tax on top of the current weight-mile tax for miles not driven in the city is unfair and unjust taxation. The city should look at other options to more fairly increase revenue for city street repair and improvements. At the least there should be a process in place to allow companies to demonstrate out of city mileage to allow for an exemption of the tax on miles outside the city of Portland.

Any tax that targets trucking operations should not go into effect without additional taxation for light vehicles. For example the upcoming May 17th election.

Thank you for the opportunity to submit these comments,

Mark D. Gibson
President

Siskiyou Transportation, Inc. (541) 488-2755
Timberland Helicopters, Inc. (541) 488-2880
PO Box 1345
Ashland, OR 97520
Cell: (541) 944-2018

From: Hillier, Robert
Sent: Tuesday, May 03, 2016 2:44 PM
To: Moore-Love, Karla; Commissioner Novick
Cc: Pia Welch; Ansary, Raihana
Subject: Portland Freight Committee Comments on Heavy Vehicle Use Tax

Dear Steve and Karla,
On behalf of the Portland Freight Committee please find attached their comments on the proposed Heavy Vehicle Use Tax scheduled on tomorrow's City Council agenda. Please feel free to contact either of the PFC chairs or myself if you have any questions – Thanks.

Bob Hillier
Freight Planning Coordinator
City of Portland Bureau of Transportation
1120 SW 5th Avenue, Suite 800
Portland, Oregon 97204
Phone: 503 823-7567
E-Mail: Robert.hillier@portlandoregon.gov



Heavy Vehicle
Use Tax Letter.p...

**PORTLAND FREIGHT COMMITTEE**

May 3, 2016

Commissioner Steve Novick
Portland City Hall
1221 SW Fourth Avenue, Suite 210
Portland, Oregon 97204

Dear Commissioner Novick,

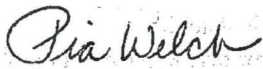
On behalf of the Portland Freight Committee (PFC), thank you for the opportunity to comment on the proposed heavy vehicle use tax. We understand that Portland's temporary local fuels tax, if passed by voters this May, will not include a ten-cent diesel tax on vehicles over 26,000 pounds and that the decision not to apply the diesel tax to heavy trucks was based on a concern that heavy trucks would bypass Portland's only major truck stop. We appreciate you reaching out to the PFC about potential funding alternatives in your attempt to capture heavy vehicles and commend city staff for their hard work evaluating various proposals.

As you know, members of the PFC participated in good faith in several workgroup discussions regarding different funding mechanisms ranging from a diesel load fee to the current proposed heavy vehicle use tax based on state weight-mile taxes. While there was thoughtful discussion in these meetings, no particular funding mechanism was agreed to because all were imperfect or flawed in some way. While no perfect solution was determined, the PFC strongly believes that the following conditions be met no matter the funding mechanism:

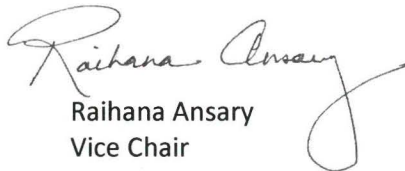
- In the spirit of fairness, a tax on heavy vehicles should not move forward unless voters approve the temporary local gas tax;
- There should be a four-year sunset clause that mirrors the temporary local gas tax;
- There should be an appeals process to help ensure that companies and organizations that are not using city roads or that are but on a very limited-basis not be unfairly impacted;
- There should be an independent oversight committee with adequate freight representation. The committee should meet periodically to monitor expenditures and prepare annual reports to city council;
- The revenue generated from a tax on heavy vehicles should be used to leverage transportation maintenance and safety improvements with an emphasis on freight-related projects;
- The PFC should be consulted to help identify freight-related projects and priorities that the revenue generated fund;
- Vehicle road capacity should be maintained, particularly to ensure the flow of commerce into and through downtown, freight districts, regional truck ways, priority truck streets, and major truck streets.

Additionally, we urge that the city play an active role in getting a state transportation funding package passed in 2017 and to explore more sustainable long-term funding strategies. Meantime, we need to explore other viable long-term ways of obtaining transportation maintenance monies through studded tires and other user groups such as TriMet buses. We need to share the responsibility to help pay the costs required for a strong transportation network that moves freight and people efficiently. We look forward to working with you to address these concerns. Thank you for your time and consideration.

Sincerely,



Pia Welch
Chair



Raihana Ansary
Vice Chair

cc: Mayor Charlie Hales
Commissioner Amanda Fritz
Commissioner Dan Saltzman
Commissioner Nick Fish

Parsons, Susan

From: Gary Hartling <Gary.Hartling@MclaneFS.com>
Sent: Tuesday, May 03, 2016 7:43 AM
To: Council Clerk – Testimony
Subject: Proposed heavy vehicle TAX

As a property owner, and a Oregon resident I'm very disturbed about this latest proposal from the City of Portland is to levy a 2.8% surcharge on the total amount of weight mile tax trucking companies pay to the Oregon Department of Transportation. This tax applies to all trucking companies that open their doors in the City of Portland. It is difficult to believe with all of the growth and rise in property ownership Oregon State and the city of Portland income has not risen. Where are our tax dollars going? Have we've allowed dollars allocated for road repairs, and building infrastructure to be allocated to other project? Does the City of Portland think the Trucking industry should bare the bunt of poor planning and poor allocation of resources? Shouldn't the City of Portland seek to use what resources they have instead of always seeking additional revenue sources. If the City of Portland needs additional Revenue any kind of Tax should be applied evenly. This proposed Tax seem targeted at the heavy trucking industry not because it makes sense, but because someone proposing this TAX thinks it will meet the least resistance since it does not directly affect every resident of Portland. Unfortunately a tax like this one is assumed to be passed on to the end customers of the trucking industry. This does not always happens depending on contracts and existing lane rates. Carriers will end up being expected to absorb this unfairly applied additional cost.

1. It is totally unfair to tax trucking companies on their operations outside the City of Portland.
2. Any tax on heavy trucks imposed by the City of Portland should not go into effect unless the gas tax on light vehicles passes during the May 17th election.
3. If the City moves forward with this proposal, there needs to be an appeals process so that trucking companies that operate infrequently in the City of Portland can qualify for a full or partial exemption.

The City of Portland should first get its own house in order with their budget. Justify this budget. If there are legitimate short coming to their revenue needs go to the Oregon voters with proposals that would generate additional revenues evenly applied to every resident of Portland.

Thank you.

Gary N. Hartling
Concerned citizen and long time resident of Oregon.

Parsons, Susan

From: Mark Gibson <tllmark1@gmail.com>
Sent: Tuesday, May 03, 2016 5:35 AM
To: Council Clerk – Testimony
Subject: Item 468 Heavy vehicle tax

I would like to respectfully submit comments for the record in regards to Item 468, the establishment of a heavy vehicle use tax to fund Portland's city street repairs.

Although my company specifically does not cross the city limits into Portland, I write with grave concern in opposition to the above mentioned tax proposal. While I understand the need for cities to continually find new ways to fund city services, including street replacement and repair, taxing all the operations of trucks that occasionally enter the city is unfair and creates an unhealthy precedent for other political subdivisions.

Trucking in the state of Oregon already pays road use tax in a way that is very unique to the rest of the country in the use of the weight-mile tax. Most trucking companies that cross into the City of Portland spend the overwhelming rest of their time outside the city, paying weight-mile tax whether in or out of the city limits. To impose an additional tax on top of the current weight-mile tax for miles not driven in the city is unfair and unjust taxation. The city should look at other options to more fairly increase revenue for city street repair and improvements. At the least there should be a process in place to allow companies to demonstrate out of city mileage to allow for an exemption of the tax on miles outside the city of Portland.

Any tax that targets trucking operations should not go into effect without additional taxation for light vehicles. For example the upcoming May 17th election.

Thank you for the opportunity to submit these comments,

Mark D. Gibson
President

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