



April 14, 2023

To: Co-Chairs Steiner and Sanchez, Co-Chairs Dembrow and Pham, and all the members of the Joint Committee on Ways and Means, and the Subcommittee on Natural Resources

RE: **HB 3229 - Prioritizing Stabilization and Sustainability of Title V fee program**

On behalf of tens of thousands of members, the undersigned community, health, and environmental organizations urgently request your **support for HB 3229**. We urge you to prioritize a fully functioning air permitting program for Oregon’s Department of Environmental Quality (DEQ), by stabilizing the Title V program fees. Title V of the federal Clean Air Act (CAA) regulates emissions from the largest and most complex sources of air pollution. This program provides safeguards to communities adjacent to these facilities in Oregon, and gives businesses the predictability needed to expand and maintain ongoing operations. Maintaining full funding for Oregon’s Title V permit program is essential for the agency to continue to issue new permits and provide the public with the peace of mind that facilities are operating in full compliance with existing regulations.

Outdated permits and delays in renewal issuances can postpone facility implementation of enhanced monitoring procedures and slow potential emissions reductions that are critical to protecting neighboring communities, especially those communities that have borne the brunt of air pollution in the state. For example, Owens’s Brockway, a massive glass recycling facility with a history of noncompliance, operated on an expired permit for years. Owens-Brockway neighbors a community overburdened by air pollution and only recently agreed to install pollution controls to address repeated violations of its Title V obligations and modeled exceedances of federal air standards that protect public health.

The federal government requires the state to collect fees from the regulated entities that are sufficient to sustain the program.

If this state does not prioritize a sustainable rate for fee-based revenues this session, nearly 1/3 of the program staff and productivity will be jeopardized, exacerbating the agency’s ability to restore confidence with industry permit holders and the public alike and putting Oregon out of compliance with federal law.

Inadequate funding for this program could result in the following outcomes:

1. Immediate reduction in Oregon DEQ permitting staff and program outcomes.



2. Failure to meet federal Clean Air Act obligations to protect public health by monitoring and enforcing air quality standards.
3. EPA could issue a notice of deficiency, implement a "stringent" performance plan, engage in "increased" and EPA-led enforcement at the companies that emit pollutants, and even take over permitting responsibilities for some of those companies. EPA in March of this year issued such a notice to Indiana warning the state that it would take action if Indiana failed to adequately fund the state's Title V program.
4. A return to the backlog identified by the Secretary of State's 2018 audit which concluded: "43% of DEQ's largest and most complex air quality permits are overdue for renewal."
5. Oregon would reverse the significant progress that has been made in the wake of the SOS audit: Without significant fee adjustments in over a decade, and despite the increase in complexity in federal regulations and oversight requirements for the program, the agency has completed the 10 recommendations from that report to improve its internal process.

Oregon's fees are relatively low compared to the other states within EPA region 10, so we urge the legislature to approve HB 3229 which will bring Oregon closer in line to neighboring states.

Thank you for your support.

Sincerely,

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Neighbors for Clean Air

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Northwest Environmental Defense Center

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