

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

DATE: July 21, 1993 TAPES: 249 - 250
PLACE: Hearing Room C TIME:

8:00 AM

MEMBERS PRESENT: Senator Ron Cease, Chair Senator Bob Kintigh, Vice
Chair Senator Jim Bunn Senator Bill Dywer Senator Bob Shoemaker Senator
Gordon Smith Senator Dick Springer

GUEST MEMBERS: Senator Joan Dukes

STAFF PRESENT: Peter Green, Administrator Debi Garrigues, Assistant

THESE MINUTES CONTAIN MATERIALS WHICH PARAPHRASE AND/OR
SUMMARIZE STATEMENTS MADE DURING THIS SESSION. ONLY TEXT ENCLOSED IN
QUOTATION MARKS REPORTS A SPEAKER'S EXACT WORDS. FOR COMPLETE CONTENTS
OF THE PROCEEDINGS, PLEASE REFER TO THE TAPES.

TAPE 249, SIDE A

001 SENATOR RON CEASE, Chair: Calls the meeting to order at 8:00
a.m.

Public Hearing on HB 2214 Witnesses: Olivia Clark, Department of
Environmental Quality (DEQ) Steve Greenwood, DEQ John Kwalcheck, DEQ Jim
Whitty, Associated Oregon Industries (AOI) Jim Craven, American
Electronic Association Tom Gallagher, Sen. Joan Dukes Jerry Yudleson,
Lisa Brenner, STOP

012 OLIVIA CLARK, DEQ: Introduces staff members with her.

018 STEVE GREENWOOD, DEQ: Provides and reviews background
information and a description of the Portland area air quality problem
addressed by the bill (EXH. A).

106 SENATOR JIM BUNN: If we don't meet the standards, then future
development has much stiffer standards in the metro area. Is that
correct?

GREENWOOD: That is correct. There are a variety of requirements and
restrictions upon industrial development and those are specific for
industries that want to locate or expand within a nonattainment area
which does not include Yamhill or Columbia counties. > Talks about
prevention of significant deterioration requirements.

SENATOR BUNN: So the bulk of the restrictions apply to the metro area
and not Columbia and Yamhill counties if we fail to meet containment.

CHAIR CEASE: What will be the role of the EPA if we don't meet the
standards?

GREENWOOD: If we do not put together a program to meet the
standards, then the EPA could impound federal funds.

142 SENATOR JOYCE COHEN: Would the impoundment of federal funds
apply to the state's highways in general or just to those targeted

in the metro area?

153 JOHN KWALCHECK, DEQ: EPA would define the boundaries of where the sanctions would apply under the Clean Air Act. Generally, those boundaries are restricted to near or in the nonattainment area. It would probably not be statewide.

GREENWOOD: The Clean Air Act requirements also apply to Yamhill county and there has been a company subject to those limitations already. > Continues reviewing his testimony on the adequacy of HB 2214 to solve the air quality maintenance problem. > Refers to proposed amendment on last page of handout which replaces the HB 2214-A10 amendment (EXH. B).

224 SENATOR BOB SHOEMAKER: What does the bill do to meet the target emissions listed at the top of page 4?

GREENWOOD: Reviews his testimony on page 3 of the handout concerning the elements of the strategy in HB 2214. > Refers to list of recommendations and strategies identified by the State Motor Vehicle Task Force and the House Special Task Force on Emissions (see EXH. A).

269 SEN. BOB KINTIGH: Is the ratio of parking concerning the number of parking spaces at a business?

GREENWOOD: This would be applied to new commercial, retail and industrial businesses in the metro area. It reverses the existing requirement from minimum number of spaces to a maximum. > The parking ratios for new construction are intended to be a substitute measure to the emission fee. > The strategy is to try to reduce the amount of vehicle miles traveled.

302 SENATOR GORDON SMITH: Why are you not going with the original recommendation?

GREENWOOD: There was a significant amount of discussion about the vehicle emission fees on the House side. The House determined there were enough questions and concerns about the vehicle emission fee they felt more comfortable with the more straight forward regulator strategies. SENATOR SMITH: I think the original recommendation would be more effective than all the government this would create. Any efforts less than to get people to use mass will not be effective.

GREENWOOD: That was part of the dialogue that took place at meetings of the State Motor Vehicle Task Force. It recommended the emission fee precisely for that reason. > The \$200 price tag on individuals make the House look at substitutions. > We don't anticipate the parking rations creating any huge bureaucracy.

SENATOR SMITH: Explains how the parking recommendations are at cross purposes with some of the land use development efforts.

GREENWOOD: I understand what we are talking about here is a change. We hope the changes will make people use other modes of transportation.

SENATOR SMITH: We need to increase the cost of using an automobile instead of focusing on the parking problem.

396 KWALCHECK: Talks about the strict parking ratio in downtown Portland and how the program has worked and can work on a regional basis. > There are two alternatives to reach the same goal and we can

reach the objective with either one.

GREENWOOD: The amendment relates to the market incentives that Sen. Smith is referring to. > The motor vehicle emission fee was supported by the State Motor Vehicle Task Force because of equity and cost effectiveness as well as reducing traffic congestion. > The House supports a modest increase in vehicle registration fees which can be used for transit funding. New local option fees would also be authorized. > Talks about the proposed amendment which would direct DEQ to conduct a study of alternative ways of assessing and collecting new motor vehicle fees based on emissions.

TAPE 250, SIDE A

041 SENATOR SHOEMAKER: This amendment does not replace anything in the bill.

CHAIR CEASE: Wouldn't the Department have the authority to do this now?

GREENWOOD: Yes, we have the authority to do studies. We don't have the direction to report back to the Legislature.

SENATOR BUNN: How and when were Columbia and Yamhill counties added to the bill?

GREENWOOD: Explains portions of Yamhill and Columbia counties were included in order to reach the emission reduction target and those areas do have major urbanized portions that do contribute to the problem. > Refers to area on map attached to their handout (see EXH. A).

095 CHAIR CEASE: Give me an idea of the rationale or criteria for the circled area on the map?

GREENWOOD: The 25-mile radius roughly represents the population needed to be included in an expanded boundary.

SENATOR BUNN: Are residents within the city limits of Newberg and Dundee more likely to be under the emission testing requirements but residents in the rural areas are not?

GREENWOOD: We will work with an advisory committee made up of people from outlying areas and go through a public input process before taking the plan to the Environmental Quality Commission for approval. It is combination of addressing the problem and being equitable.

SENATOR BUNN: What do you with Hillsboro residents who have addresses inside and outside the metro boundary?

GREENWOOD: It is a problem.

156 SENATOR SHOEMAKER: Is it the total amount of pollutants brought into the area during the course of the day that creates the ozone problem or is it a concentration of pollutants during certain hours of the day?

GREENWOOD: It is more of a cumulative rather than immediate problem. Congestion pricing would not address the ozone problem unless it discouraged people from commuting in their single occupied vehicle.

177 JIM WHITTY, AOI: Testifies in support of the bill. > Nonattainment is not just a problem in the Portland areas. It exists in seven areas of the state from different pollutants. An area by area strategy is necessary. > Explains how federal emission sanctions have a strangling effect on industrial growth. > Businesses will have to put into place the most expensive air pollution control equipment in the country.

242 SENATOR SMITH: If we defeat this bill and there is limit on growth in the metro area, is there any chance some of these businesses will expand to eastern Oregon?

WHITTY: Businesses can go any number of places in the western U.S. but not necessarily eastern Oregon. > Shares nervousness about employer trip reductions. > Talks about lack of support in the House of emission fees.

CHAIR CEASE: None of the solutions are easy sales. > Committee members discuss the market-based approach.

357 WHITTY: The point is to get the maintenance plan approved and in place. Enhanced vehicle inspection is a key component of the bill. DEQ can do most of the rest by rule.

386 JIM CRAVEN, American Electronics Assoc.: Responds to issues raised. > Unlikely major electronic facilities will locate in Eastern Oregon. > In the future, air quality containment will be key element in industrial siting and expansion decisions. > Supported Governor's task force package which included an emission fee. > Plan is not perfect. It does not have economic disincentives.

TAPE 249, SIDE B

041 TOM GALLIGHER, Gunderson, et. al.: Talks about the process of the bill in the House special task force concerning vehicle emission fees. > Many issues to examine in detail during the interim and future legislative sessions. > Going to end up with mix of emission charges, market incentives and forcing people into a different mode of transportation through regulation. > Supports bill and DEQ amendment providing for a study group.

SENATOR SHOEMAKER: Any thought given in the House to a constitutional prohibition against using gas tax revenues for alternative means of transportation?

GALLIGHER: Another issue to deal with because of the demands for mass transportation and environmental charges. Requires a constitutional amendment to free up the funding mechanism.

114 SENATOR COHEN: If we were to have chosen the emission fee as part of the strategy, it would have been contingent upon passing an additional constitutional measure.

GREENWOOD: Talks about achieving both a maintenance plan and technical attainment.

148 SENATOR JOAN DUKES, District 1: Explains how Columbia and Yamhill counties will suffer the consequences if nonattainment of emission standards occurs in the tri-county area. > Does not feel placing limitations on peripheral areas will contribute measurably toward solving the tri-county area problems but it could restrict

industrial growth in areas that desperately need it.

SENATOR SHOEMAKER: It would appear that some of the emission standards would not be any greater a burden on Columbia county than on the tri-county area. > Suggests exempting Columbia county from one or two of the requirements.

SENATOR DUKES: Columbia county is not presently under auto emission inspections because it does not have an air emissions problem. Getting tied into the whole process at all is the biggest concern because of possible long-range repercussions. > Hopes committee will add the Department of Transportation to the -10A amendment.

290 JERRY YUDLESON, Beaverton resident and member of the Governor's task force: Feels air quality problem in Portland will impact industrial growth. Almost impossible to meet federal standards. Mass transit and carpooling are on a decline. > Favors congestion pricing amendments.

SENATOR SHOEMAKER: Total pollutants through out the day and not periods of congestion effect the ozone level. How does congestion pricing address that?

YUDLESON: The extra emissions during rush hour do become an ozone problem later in the day in outlying areas. Keeping discretionary traffic off the highways during peak hours is not only important for air quality but also stretches highway capacity and accommodate some growth.

373 LISA BRENNER, member of Governor's task force: Supports inclusion of both regulatory and market-based strategies. Feels pilot program gives DEQ opportunity to gather evidence for emission fees. > Purpose is to move people to cleaner cars.

TAPE 250, SIDE B

005 BRENNER: Talks about the health impact from the pollution. > Explains why she supports congestion pricing pilot project and expanding vehicle inspection boundaries.

Testimony submitted for the record on HB 2214 from the Oregon Environmental Council (EXH. C) and from the City of Portland Government Relations office (EXH. D).

056 CHAIR CEASE: Adjourns meeting at 9:45 a.m.

Reviewed and submitted by:

Carolynn Gillson Assistant

EXHIBIT LOG: A - Testimony on HB 2214 - DEQ - 7 pages B - HB 2214-A10 amendment - staff - 1 page C - Testimony on HB 2214 - Oregon Environmental Council - 20 pages D - Testimony on HB 2214 - City of Portland - 1 page