

## **Senate Interim Committee on Business and Transportation**

**Monday, December 8<sup>th</sup>, 2014**

**State Capitol, Salem, Oregon**

**Members Present: Sen. Lee Beyer, Chair; Sen. Bruce Starr, Vice-Chair; Sen. Chris Edwards, Sen. Fred Girod Sen. Rod Monroe Sen. Chuck Thomsen**

### **Report from Broadband Advisory Council**

Joseph Franell, General Manager and CEO for Eastern Oregon Telecom, led a panel and provided a [report](#) from the Broadband Advisory Council. He offered a brief history of the Council and summarized the findings of the report. The three key issues the state faces are broadband Internet access for K-12 education, disaster preparedness and post-disaster recovery and communication, and cybersecurity and protection of data integrity.

Mary Beth Henry, Manager of the Office for Community Technology for the City of Portland, provided highlights of local-level broadband telecommunications expansion and improvement efforts. Chris Denzin, Vice-President for CenturyLink, discussed broadband infrastructure investment at the federal level, emphasized the capital-intensive nature of wireless network development and discussed the process for migration to next-generation technology. The panel also encouraged the Legislative Assembly to take action in 2015 to extend the sunset on the Oregon Broadband Advisory Council.

Committee questions and comments for this panel included whether there is a chance that the demand for broadband access will outpace the ability of the marketplace to provide greater capacity.

### **Economic Impact Study of Oregon Ports**

Dave Harlan, Ports Manager for the Oregon Business Development Department (OBDD), gave a [presentation](#) entitled “Economic Benefits of Oregon Public Ports,” which had its origins in the 2010 Statewide Ports Strategic Plan. Todd Chase, with the FCS Group, presented an executive [summary](#) of the [report](#) and its findings. He outlined data demonstrating the impact of ports in each of four regions with regard to: total direct and indirect jobs created; total economic output; total labor income; total state/local taxes generated; total federal taxes generated; and local tax payments generated per dollar of port tax collected.

Committee questions and comments for this panel included: whether the return on investments made through *ConnectOregon* can be measured in a similar fashion; to what extent computer chips play a role in the state’s export economy; and the relative importance of transportation infrastructure to the overall economy.

### **Report from Task Force on Transportation and Customer Service Efficiency**

Tom McClellan, Administrator for the Driver and Motor Vehicle Services Division (DMV) of the Oregon Department of Transportation (ODOT), presented the final [report](#) from the Task

Force, which was created by passage of House Bill 4047 (2014). The Task Force took a broad look at services provided at DMV field offices and customer attitudes of those services.

Catherine Webber, Chair of the Task Force, explained in detail the activities of the Task Force, its methodology, and findings. Her impressions included: the wide variety of services offered at DMV offices; the value people attach to their time when interacting with state government; the fact that customers are generally satisfied with DMV services, with their two biggest complaints being wait times and the prohibition against use of credit and debit cards; and the antiquated computer and technology systems used. Her recommendations included: customers use of online services to avoid wait times at field offices; creation of self-service kiosks; replacement of the antiquated computer system; improve customer experience while waiting; accept debit cards at field offices; offer scheduling for dealer/fleet appointments; and increase staffing level at the busiest offices.

Rep. Kim Thatcher and Sen. Chris Edwards, members of the Task Force, also offered their impressions and reiterated the need to update the computer system.

#### Oregon Department of Transportation Major Projects Report

Paul Mather, Administrator for ODOT's Highway Division, gave a slide [presentation](#) outlining the status of several major highway construction projects. Projects reviewed included: Highway 140 at Bly Mountain; U.S. 97 at Murphy Road; U.S. 212 Sunset Corridor; OR 99W at Newberg/Dundee; Interstate 5 at Woodburn; U.S. 20 at Pioneer Mountain/Eddyville; U.S. 26 at Shute Road; and Interstate 5 at Beltline/Eugene.

#### Cost of Congestion Study Report

Steven Fitzroy, representing the EDR Group, gave a slide [presentation](#) outlining the findings of a 2014 Statewide Report on the economic impacts of traffic congestion. While Oregon's population will grow at about one percent per year, traffic will worsen at a higher rate due to increased economic activity. Congestion is particularly problematic in the Portland metropolitan area, as it is the fifth most trade-dependent city in the western United States. Businesses can adopt strategies to deal with congestion, including: moving operations to nighttime; seeking 'off-peak' delivery options; losing turns for regional delivery runs; and establishing staggered shifts. Trends that will likely be seen in the future are applying increasingly complex logistics; seeking third party assistance with logistics; focusing more on exports and out-of-state markets; and adjusting to limited hours of service for driver deployment. Mr. Fitzroy reported that while congestion will almost certainly worsen in the next few decades, making investments in the transportation system can help reduce the economic impact of delays.

Susie Lahsene, representing the Port of Portland, reported that the final version of the report will be released within the next few weeks.

Committee questions and comments for this panel included: whether Metro should take the lead in addressing congestion in the Portland region; the critical role the Portland region plays in the state's overall economy; and the benefits of multiple jurisdictions in addressing congestion.

### Transportation Funding at the Federal and State Level

James Corless, Transportation for America, gave an [overview](#) of his organization and discussed the status of transportation funding efforts at the federal and state levels. A number of states considered funding packages during 2013-14. Three states (Florida, Maryland and New Hampshire) index gasoline taxes to the Consumer Price Index (CPI) and there are 24 states that have not increased their gasoline tax in more than 20 years. Some states are considering local option taxes, and some states are considering funding for transit as part of their efforts.

### Introduction of Committee Legislative Concepts

The following legislative concept drafts were introduced by unanimous vote of the committee:

[LC 292](#) – relating to motor carriers;

[LC 738](#) – relating to self-insurance of workers' compensation obligations;

[LC 1018](#) – relating to compensation for business loss incurred by liquor store operators;

[LC 1139](#) – relating to broadband transmissions;

[LC 1149](#) – relating to the Travel Information Council;

[LC 1553](#) – relating to wholesaling by brewery-public house licensees;

[LC 2275](#) – relating to applications of the prevailing rate of wage to certain public works projects;

[LC 2467](#) – relating to relationships between franchisors and franchisees.