

SENATE COMMITTEE ON TRANSPORTATION

January 31, 2005
3:00 P.M.

Hearing Room 50
Tapes 9 - 10

MEMBERS PRESENT: Sen. Joanne Verger, Chair
Sen. Doug Whitsett, Vice-Chair
Sen. Rick Metsger
Sen. Floyd Prozanski
Sen. Bruce Starr

STAFF PRESENT: Judith Callens, Committee Administrator
Gary Roulier, Committee Assistant

MEMBERS PRESENT: Rep. George Gilman, Chair
Rep. Terry Beyer, Vice-Chair

MEMBERS EXCUSED: Rep. Chuck Burley, Vice-Chair
Rep. Deborah Boone
Rep. Scott Bruun
Rep. Dave Hunt
Rep. Kim Thatcher

MEASURES/ISSUES HEARD:
Freight Rail and the Oregon Economy – Informational Meeting
SB 56 – Public Hearing
SB 101 – Public Hearing
SB 102 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 9, A		
002	Chair Verger	Opens the meeting at 3:07. Opens an informational meeting on freight rail.
<u>FREIGHT RAIL AND THE OREGON ECONOMY – INFORMATIONAL MEETING</u>		
012	Pat Egan	State Affairs Manager, Port of Portland. Introduces a report commissioned by the Port.
031	Lance Grenzeback	Senior Vice President, Cambridge Systematics, Inc. Submits a PowerPoint presentation (EXHIBIT A), summarizing a report entitled "Freight Rail and the Oregon Economy."
055	Grenzeback	Forecasts a substantial increase in growth of freight tonnage in Oregon.
091	Grenzeback	Continues with a forecast for potentially congested highways in the year 2020.
112	Grenzeback	Notes that the economy has shifted to designing products to be shipped door-to-door, by truck.
140	Grenzeback	Summarizes the present state of the rail industry.
173	Grenzeback	Outlines the categories of Oregon buyers for freight rail services.
194	Grenzeback	Points out the Northwest rail corridors with significant capacity

		problems.
221	Grenzeback	Notes that delays, on a per train basis, are approximately twice as much in Portland as they are in Chicago.
261	Grenzeback	Comments on the lack of short-line railroad infrastructure within the state, particularly with the inability to accommodate newer, heavier railcars.
303	Grenzeback	Speaks to the advantages of utilizing the Columbia Gorge Corridor.
334	Grenzeback	Talks about the wholesale trade and food product industries.
393	Grenzeback	Discusses the public role in freight rail.
TAPE 10, A		
012	Grenzeback	Continues with a discussion of public policy and possible effects on efficiency of rail service.
031	Grenzeback	Outlines some public-private partnerships in Chicago and other locations.
063	Grenzeback	Reviews some possible actions and initiatives for freight rail in Oregon.
075	Sen. Whitsett	Asks where the nearest east-west route south of the Boise Corridor is located.
081	Grenzeback	Responds that is the line that runs from San Francisco to Salt Lake City.
091	Sen. Prozanski	Asks about the rail tonnage flowing from California.
097	Grenzeback	Responds that the report dealt solely with Oregon traffic. Reviews the rail volume originating in Seattle.
104	Chair Verger	Asks what the witness would advise the state with regard to major concerns, particularly with short-line railroads.
121	Grenzeback	Answers that we would need to look at the rail system as a whole throughout the Northwest, or to look at how a short-line would fit into the system. Emphasizes the bottleneck in the Portland corridor, or "triangle."
145	Egan	Reviews a recent study on the Portland triangle, and what improvements would have the most advantageous effect on capacity.
163	Grenzeback	Adds that the purpose of the study was not to prioritize projects, but to examine the issues, and the possible public policy roles.
181	Chair Verger	Comments that most policy makers do not have an "inside track" on how to improve this infrastructure in a cost effective way.
193	Grenzeback	Notes that the rail industry is under tremendous pressure to make their industry viable.
204	Rep. Beyer	Asks if there are fixes, other than within the Portland triangle, that would alleviate the problems within the triangle.
221	Grenzeback	Responds that as the economy and populations grow, these other areas outside the triangle will become bottlenecks.
236	Rep. Beyer	Clarifies that the triangle is the problem
238	Grenzeback	Agrees, and notes again the existing problems with the short-lines.
241	Egan	Adds that the short-lines do act as a feeder to the main rail lines, particularly for low-value products.
272	Chair Verger	Closes the informational meeting, and recesses the meeting at 3:55 p.m.

RECESS

274	Chair Verger	Reconvenes the meeting at 4:10 p.m., and opens a public hearing on SB 56.
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SB 56 – PUBLIC HEARING

281	Judith Callens	Committee Administrator. Explains the provisions of SB 56, and submits the -1 amendment (EXHIBIT B) .
308	Paul Donheffner	Director, State Marine Board. Presents written testimony (EXHIBIT C) , and testifies in support of SB 56. Explains the purpose of the bill.
352	Donheffner	Reviews cases of severe carbon monoxide poisonings during “platform dragging.”
383	Donheffner	Outlines the levels of carbon monoxide present during these activities. Adds that other states are addressing the practice through statute.

TAPE 9, B

003	Donheffner	Summarizes coordination with the Water Sports Industry Association (WSIA), and notes that the WSIA supports the measure.
029	Chair Verger	Asks if it is correct that the reason people die so readily from carbon monoxide poisoning is that the gas “clings” rather than being expelled.
033	Donheffner	Answers that is correct, and reviews the dangers of carbon monoxide poisoning.
038	Chair Verger	Notes that someone could “very innocently” cause a violation by coming up on the rear of the boat and grabbing the platform.
041	Sen. Prozanski	Asks if, under the provisions of the bill, people would have to shut down the boat motors if persons are in certain positions relative to the motor.
046	Donheffner	Answers that the intent is to prevent people from “platform dragging.”
063	Sen. Prozanski	Cautions about “fall-out” from the measure, similar to the school zone speed limit.
071	Sen. Bruce Starr	Asks about the definition of a motor boat and whether it is defined in such a way that we are throwing “too broad of a net.”
081	Donheffner	Responds that the law would only apply to those boats with a swim step or platform.
090	Chair Verger	Closes the public hearing on SB 56, and opens a public hearing on SB 101.

SB 101 – PUBLIC HEARING

092	Callens	Explains the provisions of the bill.
102	Bruce Warner	Director, Oregon Department of Transportation (ODOT). Presents written testimony (EXHIBIT D) and testifies in support of SB 101.
139	Warner	Talks about the importance of the state highway system to the Oregon economy, and adds that access is a key management issue.
156	Warner	Comments that we want to make sure that our investment in our capacity is preserved. Adds that fifty percent of the non-interstate highway accidents occur at intersections.
190	Warner	Summarizes customer service ratings regarding highway access.
193	John Jackley	Executive Officer, Highway Division, ODOT. Presents written testimony (EXHIBIT E) and testifies in support of SB 101.
213	Jackley	Explains that the bill will provide administrative remedies for the department.
233	Patrick Allen	Office of Regulatory Streamlining. Presents written testimony (EXHIBIT F) , and testifies in support of SB 101, and adds that his office also supports SB 102.
248	Sen. Prozanski	Asks if the bill allows the department to use the “right of

263	Allen	eminent domain.”
267	Jackley	Defers to ODOT.
273	Chair Verger	Responds that the question refers to SB 102.
<u>SB 102 – PUBLIC HEARING</u>		
283	Jackley	Closes the public hearing on SB 101, and opens a public hearing on SB 102.
319	Jackley	Presents written testimony (EXHIBIT G), and testifies in support of SB 102. Explains the provisions of the bill.
337	Sen. Prozanski	Outlines the advantages of the bill. Summarizes a project where the proposed bill would have saved ODOT over \$162,000.
365	Sen. Whitsett	Discusses the provisions of the bill with Jackley.
387	Jackley	Emphasizes that he has a problem with setting a precedent with “taking” property, and asks if the property owner could lose value by being denied access.
		Responds that the department is not able to transfer the easement from one party to the other. Summarizes the settlement rate for the department regarding property values.
<u>TAPE 10, B</u>		
013	Chair Verger	Closes the public hearing on SB 102. Comments on the upcoming out- of-office meeting on February 14, 2005.
038	Chair Verger	Discusses arrangements with the committee.
		Adjourns the meeting at 4:37 p.m.

EXHIBIT SUMMARY

- A. Rail, Oregon Freight, PowerPoint, Lance Grenzeback, 32 pp
- B. SB 56, -1 amendments, staff, 1 pp
- C. SB 56, written testimony, Paul Donheffner, 7 pp
- D. SB 101, written testimony, Bruce Warner, 3 pp
- E. SB 101, written testimony, John Jackley, 1 pp
- F. SB 101, written testimony, Patrick Allen, 5 pp
- G. SB 102, written testimony, John Jackley, 3pp