

SENATE COMMITTEE ON TRANSPORTATION

February 28, 2005
3:10 P.M.

Hearing Room C
Tapes 25 - 26

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. Terry Beyer

MEASURES/ISSUES HEARD:
HB 2067 – Public Hearing and Work Session
SB 71 – 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 25, A		
003	Chair Verger	Opens the meeting at 3:19 p.m. and opens a public hearing on HB 2067.
<u>HB 2067 – PUBLIC HEARING</u>		
010	Bob Hidley	Director, Oregon Department of Aviation. States that the bill will stagger the terms of the members of the Aviation Board.
025	Chair Verger	Closes the public hearing and opens a work session on HB 2067.
<u>HB 2067 – WORK SESSION</u>		
031	Judith Callens	Administrator. Reviews the fiscal and revenue impact statements.
037	Sen. Whitsett	MOTION: Moves HB 2067 to the floor with a DO PASS recommendation.
		VOTE: 4-0-1
		AYE: In a roll call vote, all members present vote Aye.
		EXCUSED: 1 - Metsger
	Chair Verger	The motion CARRIES.
		SEN. WHITSETT will lead discussion on the floor.
045	Chair Verger	Closes the work session and opens a public hearing on SB 71.
<u>SB 71 – PUBLIC HEARING</u>		
053	Hidley	Testifies in support of SB 71.
081	Hidley	Reviews some of the federal matching funds that will become available with the passage of SB 71.
106	Chair Verger	Expresses how disappointing it is when we have to return federal funds. Asks if the witness supports the fact that the Oregon Transportation Commission will decide what projects will be funded.
118	Hidley	Responds that they support how the projects will be selected.
125	Sen. B. Starr	Asks if they have identified projects to be funded and adds he

		would like to see a list of projects.
131	Hidley	Responds that they have projects identified and will forward the list.
137	Sen. Whitsett	Asks if the projects identified are ready to go.
141	Hidley	Answers that some are engineered and some are not.
152	Scott Witt	Director of Corporate Transportation, Oregon Steel Mills. Testifies in support of SB 71.
183	Delmer Hanson	United Transportation Union. Presents written testimony (EXHIBIT A) and testifies in support of SB 71.
216	Hanson	Notes that there are capacity constraints within the rail system in Oregon.
231	Sen. B. Starr	Asks if the labor shortage problem within the rail industry is improving.
241	Hanson	Responds that the labor shortage situation is improving and summarizes hiring within the rail industry.
261	Terry Cleaver	Traffic Manager, Columbia Grain International. Presents written testimony (EXHIBIT B) and testifies in support of SB 71.
293	Sen. Metsger	Asks what criteria he would utilize to make sure that the investments are maximized.
304	Cleaver	Recommends that the bottlenecks be addressed as they affect the entire transportation system. Also emphasizes they look for matching federal dollars.
318	Sen. Whitsett	Asks what specific bottlenecks should be addressed.
323	Cleaver	Reviews some of the areas that would require attention. Summarizes the problems associated with getting railcars in and out of the yards that serve their company.
349	Patti Iverson-Summer	Global Trading Resources. Testifies in support of SB 71.
388	Iverson-Summer	Outlines the increase in international trade on the west coast, and points out the problems created by shortcomings in the Portland infrastructure.
TAPE 26, A		
009	Iverson-Summer	Discusses the importance of investment in reducing congestion on in-bound traffic.
043	Iverson-Summer	Stresses that moving cargo through the port in an efficient manner will bring back container traffic to Portland.
053	Chair Verger	Asks how SB 71 would alleviate some of these capacity problems.
065	Iverson-Summer	Responds that building the infrastructure, particularly rail, would counteract some of our disadvantages.
089	Chair Verger	Asks about the cost of ships waiting for four weeks at some congested ports.
094	Iverson-Summer	Answers that she attempts to route her customers away from the congested ports, but options are limited.
102	Sen. Whitsett	Reviews some of the issues covered, and asks her to further develop some of the economic issues.
114	Iverson-Summer	Reviews some of the costs involved in utilizing the Port of Portland, to include the cost for bar pilots.
148	Iverson-Summer	Stresses the importance of being a "full-service port."
154	Sen. Metsger	Asks what investments would bring the most benefit to marine traffic.
171	Iverson-Summer	Answers that investments in rail would bring the most benefit.
201	Anna Spindler	Fujimi Corporation. Testifies in support of SB 71. Reviews changes in their shipping methods.

250	Chair Verger	Asks what types of finished goods they import.
255	Spindler	Reviews the products her company imports.
261	Sen. Whitsett	Asks why the container traffic left the Port of Portland.
266	Spindler	Reviews some of the reasons behind the decrease in container traffic.
300	Spindler	Notes that the larger vessels required additional dredging of the Columbia channel.
340	Sen. Whitsett	Asks how long the container companies have had terminals in Tacoma.
349	Spindler	Answer they have been in Tacoma for some time.
353	Sen. Metsger	Opines that the investments in infrastructure would reduce the congestion enough that we would regain some competitive advantages.
383	Spindler	Agrees and notes that the Port of Portland is known for their efficiency.
TAPE 25, B		
009	Mike Burton	Division Manager, Community Development, Oregon Economic and Community Development Department. Testifies in support of SB 71.
047	Burton	States that the rail service through the Columbia Gorge is a major advantage for Portland as we can utilize the Ports of Morrow and Umatilla to reduce congestion.
083	Burton	Emphasizes the importance of intermodal connections, and stresses that we look at these investments as part of a system.
110	Jonathon Schlueter	Executive Director, Westside Economic Alliance. Testifies in support of SB 71 and notes that his board of directors unanimously supports the concept of ConnectOregon.
154	Schlueter	Stresses that this bill will benefit the entire state.
164	Mark Simmons	Government Relations Director, Oregon Association of Nurseries. Testifies in support of SB 71. Notes that fuel costs are devaluing Oregon nursery exports.
197	Chair Verger	Asks if the association has done a cost analysis of utilizing rail transportation.
206	Simmons	Reviews costs analyses of utilizing intermodal transport options, and adds that he will provide specific numbers to the committee.
215	Chair Verger	Asks how the growth of the nursery industry impacts the employment picture within the state.
223	Simmons Phil Boyer	Notes that the industry is labor intensive. Aircraft Owners and Pilots Association. Submits written testimony in support of SB 71 (EXHIBIT C).
227	Chair Verger	Closes the public hearing on SB 71 and adjourns the meeting at 4:33 p.m.

EXHIBIT SUMMARY

- A. **SB 71, written testimony, Delmer Hanson, 1 pp**
- B. **SB 71, written testimony, Terry Cleaver, 1 pp**
- C. **SB 71, written testimony, Phil Boyer, 2 pp**