

**HOUSE REVENUE COMMITTEE
JUNE 5, 2003 8:30 AM STATE CAPITOL BUILDING**

Members Present: Representative Lane Shetterly, Chair
 Representative Phil Barnhart
 Representative Vicki Berger
 Representative Pat Farr
 Representative Mark Hass
 Representative Elaine Hopson
 Representative Max Williams

Members Excused: Representative Joanne Verger, Vice Chair
 Representative Wayne Scott, Vice Chair

Other Legislative Members Present:
 Representative Terry Beyer, Vice Chair
 Representative John Mabrey, Vice Chair
 Representative Jackie Dingfelder
 Representative George Gilman
 Representative Mitch Greenlick
 Representative Cliff Zauner

Witnesses Present: Tom Potiowsky, Office of Economic Analysis
 John Merriss, Oregon Department of Transportation, (ODOT)

Staff Present: Paul Warner, Legislative Revenue Officer
 Richard Yates, Legislative Revenue Office
 Kathy Tooley, Committee Assistant

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004	Chair Shetterly	Calls meeting to order at 9:40 a.m.
010	Richard Yates	Described Highway Cost Allocation Study, (Exhibit 1), as completed by ODOT, overseen by Tom Potiowsky and the Office of Economic Analysis.
033	Tom Potiowsky	Provided background on operational management and composition of the study review team with involvement by the stakeholders. Described the role of Department of Administrative Service was to keep information flow open and accessible to allow competing viewpoints to be expressed.
070	John Merriss	Provided slide presentation of "2003 Oregon Highway Cost Allocation Study", (Page 1, Slide 1, Exhibit 2).
086	Merriss	Provided description, "Brief History of Oregon Road User Taxes, (Page 1, Slide 2, Exhibit 2).
118	Merriss	Provided description, "Current Oregon Road User Taxes", (Page 1, Slide 3, Exhibit 2).
138	Merriss	Provided description, "What is Cost Responsibility", (Page 2, Slide 4, Exhibit 2).
145	Merriss	Provided description "Oregon Highway Cost Allocation Studies", (Page 2,

Slide 5, Exhibit 2).

163	Merriss	Provided description, "Oregon Highway Cost Allocations Studies", (Page 1, Slide 6, Exhibit 2).
171	Merriss	Provided description "Major Data Elements of a Highway Cost Allocation Study", (Page 3, Slide 7, Exhibit 2)
178	Merriss	Provided description "Traffic Data", (Page 3, Slide 8, Exhibit 2)
210	Merriss	Provided description "Traffic Data", (Page 3, Slide 9, Exhibit 2).
260	Merriss	Provided description, "Expenditure Program Data", (Page 4, Slide 10, Exhibit 2).
301	Merriss	Provided description, "Allocation of Expenditures", (Page 4, Slide 11, Exhibit 2).
364	Merriss	Provided description, "Revenue Data", (Page 4, Slide 12, Exhibit 2). Referred to page in (Exhibit 2).
410	Merriss	Provided description, "Basic Approach of Study", (Page 5, Slide 13, Exhibit 2).
449	Merriss	Provided description, "2003 Study Process", (Page 5, Slide 14, Exhibit 2).
481	Merriss	Provided description, "Major Changes from 2001 Study", (Page 5, Slide 15, Exhibit 2).

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045	Merriss	Provided description, "Major Changes from 2001 Study", (Page 6, Slide 16, Exhibit 2).
110	Merriss	Provided description, "Major Findings of 2003 Study", (Page 6, Slide 17, Exhibit 2).
120	Merriss	Provided description, "Major Findings of 2003 Study", (Page 6, Slide 18, Exhibit 2). Detailed in Exhibit 6-1, Page 51 of the study, (Exhibit 1).
143	Rep. Greenlick	Regarding the exhibit on Page 51, the very heavy vehicles seem to significantly underpay; was that a concern among the trucking industry?
154	Merriss	Pointed out the results for heavy vehicles above 105,500 pounds are misleading. Due to construction of computer model it is not possible to attribute registration fee revenues to those vehicles.
169	Rep. Gilman	The heaviest vehicles are only paying 76% of what they should be paying, is that correct, 104,000 pounds?
175	Merriss	That is correct.
176	Rep. Gilman	On the bridge study by the City of Eugene, there is a lot of cracking to bridges built in 60's, do they allocate cause to overweight vehicles?
181	Merriss	Answered affirmatively. Consultants looked at design for three different types of new bridges. Study Review Team (SRT) took results and allocated a higher percent of cost to replace bridges. Based on heavy trucks have

accelerated need for bridge replacements. Don't believe heavy trucks are totally responsible for bridge replacement situation; there are many factors.

- 202 Yates As member of SRT, I don't buy that argument (Merriss), But agreed with argument once you replace a bridge, the life is reduced by heavy vehicle traffic on the bridge and therefore has a higher responsibility for the cost of replacing a bridge because the tail-end which is available to automobiles if only light vehicles were allowed on the bridge.
- 210 Merriss That is perhaps a better way of looking at it.
- 202 Rep. Mabry Trucks in 72-74000 pound range pay 210% of allocated costs; Trucks in 90-92,000 pound paid 61%. Seems like that would create a conflict in the trucking industry. Is it a matter or needing to adjust registration fees or is it the system is the way it is and live with it?
- 230 Merriss Bob Russell, of the Trucking Association, might be better to address the question. There will always be imbalances within the individual 2000 pound truck weight classes. Up to the Legislature to implement the detailed results or on a more aggregated level. There aren't a lot of miles in either one of those two weight classes. That may be part of reason for ratio swings.
- 247 Chair Shetterly Constitutionally, our charge is to maintain the balance between the broad categories of light and heavy, not constitutionally charged to maintain equity within the categories.
- 252 Merriss Affirmed.
- 254 Zauner If steel studs are banned the savings is only \$10 million a year.
- 240 Merriss Allocated expenditures to repair studded tire damage, not actual cost of damage.
- 267 Zauner Could you guess what damage is done by steel studs?
- 268 Merriss There have been numerous studies trying to determine that, range is from \$15 million annually to as high a 40 million, difficult to determine.
- 278 Chair Shetterly Don't measure cost of unrepaired portion of damage caused by studded tires.
- 278 Merriss Provided description of 3 equally valid possible methods for getting back in balance to the cost responsibility results, "Major Findings of 2003 Study", (Page 7, Slide 19, Exhibit 2).
- 323 Yates In terms of bill just passed out of Transportation Committee, the third approach is conceptually the approach used.
- 342 Merriss Provided description, "Concluding Thoughts on Cost Responsibility", (Page 7, Slide 20, Exhibit 2).
- 352 Chair Shetterly Meeting adjourned at 10:30 a.m.

Kathy Tooley, Committee Assistant

Exhibit Summary:

1. Potiowsky, Yates, Merriss, "Volume 1: Final Report, 2003 Oregon Highway Cost Allocation Study", prepared by ODOT and ECONorthwest, 65 pages
2. Merriss, "Presentation on 2003 Oregon Highway Cost Allocation Study", 7 pages