

HOUSE COMMITTEE ON TRANSPORTATION

May 28, 2003 Hearing Room A
8:30 AM Tapes 109 - 113

MEMBERS PRESENT: Rep. Alan Brown, Chair
 Rep. Elizabeth Beyer, Vice-Chair
 Rep. John Mabrey Vice-Chair
 Rep. Jackie Dingfelder
 Rep. George Gilman
 Rep. Mitch Greenlick
 Rep. Cliff Zauner

VISITING MEMBERS: Rep. Lane Shetterly
 Rep. Wayne Scott
 Rep. Joanne Verger
 Rep. Phil Barnhart
 Rep. Vicki Berger
 Rep. Pat Farr
 Rep. Mark Hass
 Rep. Elaine M. Hopson

STAFF PRESENT: Janet Adkins, Administrator
 Ryan Sherlock, Assistant

MEASURE/ISSUES HEARD: HB 2041 – Public Hearing
 HB 2367 – 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 109, A 003	Chair Brown	Calls meeting to order at 8:43 a.m., and welcomes the House Committee on Revenue to the meeting. Opens a public hearing on HB 2041 and HB 2367.
<u>HB 2041 & HB 2367 – PUBLIC HEARING</u>		
005	Pat Egan	Governor's Office, Transportation Policy Advisor. Offers written testimony (EXHIBIT A) in support of HB 2041-6 (EXHIBIT B) and HB 2367-2 (EXHIBIT C). Offers the Governor's endorsement of the three House Bills (including HB 2388 which is not subject to the current hearing) which combine to make the "Transportation Package." Three Basic Elements: <ol style="list-style-type: none">1. Bridge Repair and Replacement2. Local Funds3. Invest in Critical Transportation Projects.
100	Egan	Why Now?: <ol style="list-style-type: none">1. Attractive Bond Rates

		<ul style="list-style-type: none"> 2. Federal Transportation Finance 3. Generation of General Fund
130	Egan	<p>What's Next?</p> <ul style="list-style-type: none"> 1. Speedy Project Turnaround 2. Maximize Opportunities for Oregon Labor and Business 3. Develop Transportation Construction Expertise
165	Rep. Greenlick	Points out that the Transportation Package seems to focus on roads and bridges. Asks why such other modes of transportation such as commuter rail are not included in the package.
175	Egan	Comments on the scope of the package currently before the Committee. Points out that the funding goes through the Highway fund which restricts the use of those funds. Points out that a rail package could be introduced.
200	Rep. Greenlick	Indicates that he understands that the scope of the two bills which make up the package limits its scope, but points out that other bills could be added which would expand the scope to include light rail.
210	Egan	Reiterates that he would be willing to work on a rail funding legislation package.
220	Rep. Pat Farr	House District 14. Asks whether there would be a shortage of aggregate for use in bridge repair.
230	Egan	Comments on the construction material needs, and the low level of aggregate in the state.
245	Rep. Mark Hass	House District 27. Clarifies that the -6 amendments effectively replace the original wording of the bill. Asks which section deals with registration fees on hybrid vehicles.
255	Egan	Points out that hybrid vehicles would have the same registration fees as non-hybrids.
260	Rep. Zauner	Asks Mr. Egan why bicycle registration was not included in the fee increases.
265	Egan	Indicates that he does not know, but would be willing to address the issue with Rep. Zauner.
270	Rep. Dingfelder	Asks for further explanation of the "truck engine tax credit" section of the bill.
275	Egan	Comments on the "Truck engine tax credit" section of the bill. Points out that to receive the credit, the engine needs to be manufactured in Oregon, and comments on the lower emissions of these engines.
305	Rep. Dingfelder	Asks where the tax credit would come from.
310	Egan	Explains that the tax credit would come from the General Fund, and further comments on the funding issue.
320	Chair Brown	Thanks Mr. Egan and the Governor's office for his work on the bill. Asks that Sen. Metsger, Sen. Star, and Rep. Brown address the committee.
340	Rep. Mabrey	Welcomes the witnesses to the hearing.
345	Rep. Brown	House District 10. Thanks the committee for allowing him to testify. Offers testimony in support of the Transportation Funding Package.
TAPE 110, A		
005	Senator Rick Metzger	Senate District 26. Offers testimony in support of HB 2041-6 and HB 2367-2. Points out that the Transportation Package will be one of the most positive pieces of legislation to leave this

055	Senator Bruce Starr	legislative session. Senate District 15. Offers testimony in support of HB 2041 and HB 2367. Comments on the fees being raised in the package and expresses the need for these fee increases, with reference to revenue outline (EXHIBIT D) . Outlines the financing and distribution decisions in the package. Presents the Committees with a map: Secured Critical Freight Routes (EXHIBIT E) which outlines those routes which will be repaired. Addresses Rep. Greenlick's earlier question regarding the absence of rail financing in the package, explaining that the Highway Fund can only be used on the highway system.
215	Vice-Chair Mabrey	Thanks Senator Starr and Representative Brown for their work on this important issue.
230	Rep. Hass	Thanks Senator Starr and Representative Brown for their work on this important issue. Points out the bonding decisions in the Package and asks whether this is a new policy direction the state wants to go in.
250	Rep. Brown	Comments on the history of using bonding to finance the states road system.
270	Sen. Starr	Points out the low interest rates which make the bonding investments especially attractive coupled with the long term effects of these projects.
315	Rep. Beyer	Thanks the witnesses for their work on the Package. Points out the disappointment for the decrease in size of the package during the last few weeks, and expresses concern for the some of the fee increases and whether they will create the needed funds.
330	Rep. Zauner	Questions why there is no fee for bicycles in the package.
335	Sen. Starr	Points out that such a fee was originally considered in the package, and comments on the reasons for which that fee increase was not further pursued, or in the end package.
370	Rep. Zauner	Further indicates his interest in seeing such a fee.
375	Rep. Barnhart	House District 11. Comments on his districts need for bridge repair. Points out the Oregon Department of Transportation (ODOT)'s historic lack for long term planning, and asks whether there will be thought given to future maintenance.

TAPE 109, B

005	Sen. Starr	Defers to Mr. Bruce Warner, Director of ODOT. Comments on the long term issues regarding the transportation infrastructure of the State.
035	Rep. Berger	Comments on the timing issue inherent in the package. Points out the need for the jobs created, but comments on the need to keep government from growing.
040	Sen. Metzger	Comments on the job creation issue, and points out that there will be special attention given to keeping those jobs going to Oregonians.
070	Sen. Starr	Points out that ODOT will not hire all those positions needed to accomplish the Package, but will hire the minimal staff needed to supervise the private sector contractors which will be used.
085	Rep. Farr	Points out the lack of support in some districts for highway construction. Asks how projects will be prioritized in the package.
100	Sen. Starr	Comments on the prioritization of projects funded by the package.
115	Rep. Farr	Clarifies that some of the projects which will be addressed are

		those which are already on the State Transportation Improvement Program (STIP) list.
120	Sen. Starr	Acknowledges, and further discusses the prioritization issue.
140	Rep. Greenlick	Refers to Rep. Hass earlier question regarding tax policy. Asks about specific sections in the package which would sequester revenue.
160	Sen. Starr	Comments on the sequestered revenues issue.
195	Sen. Metzger	Comments on the Diesel Engine Tax Credit section of the bill. Points out the need to help support the trucking industry.
360	Sen. Starr	Points out that Oregon would be the only state to have such a credit.
265	Vice-Chair Mabrey	Thanks the witnesses for their time.
275	Chair Brown	Welcomes Mr. Foster and Mr. Warner to the hearing.
285	Rep. Mabrey	Comments on his personal history with Mr. Foster and his brother.
290	Stuart Foster	Oregon Transportation Commission. Explains the absence of Steve Corey. Offers written testimony (EXHIBIT F) in support of HB 2041 and HB 2367, and regarding the implementation of the revenues which will be raised by the package.
TAPE 110, B		
005	Bruce Warner	Oregon Department of Transportation, Director. Offers written testimony (EXHIBIT G) in support of HB 2041 and HB 2367. Comments on the issue of keeping the project contracts going to Oregon firms. Points out that the bridge situation is in crisis. Comments on ODOT's long term planning regarding the bonding issue, bridges, and issue of maintenance and preservation. Points out ODOT's efficient use of federal funding.
150	Rep. Beyer	Clarifies the federal funding usage.
155	Warner	Further comments on the federal funding use and accounting, with emphasis on not losing any of those funds. Continues with and concludes testimony in support of the Transportation Funding Package.
190	Rep. Verger	Expresses concern for size of the package which may make implementation difficult to accomplish. Offers a specific project example which is stalled, and asks why this project has not been completed.
210	Warner	Indicates that he does not know the specifics of the project in question.
220	Rep. Verger	Acknowledges and points out the process needs to be smoothed out to help these projects be completed efficiently.
235	Rep. Dingfelder	Questions specific wording in the bill which prohibits ODOT from reducing capacity on roadways, and asks about the issue's origin.
250	Warner	Comments on the origin of the issue in question.
275	Foster	Further comments on the capacity issue.
295	Rep. Dingfelder	Points out that she will discuss the issue with Sen. Starr.
300	Chair Brown	Offers his interpretation of the issue which is concurrent with the explanation's offered by the witnesses.
315	Rep. Zauner	Asks about possible reduction in ODOT's staffing.
320	Warner	Comments on the issue of reducing ODOT's staff, pointing out that there would be other ways in which the department could be economized.
340	Rep. Hopson	Expresses concern for the oversight of those private companies which would be used on these construction projects.

365 Warner Comments on the oversight issues, and the cooperation which must happen between the department and the private sector.

375 Foster Comments on the cooperation and oversight issue, pointing out there will be a need for staffing which will make the projects more manageable.

395 Rep. Barnhart Expresses his appreciation for Mr. Foster's goal of breaking down the project to make them more manageable for local firms.

TAPE 111, A

015 Charlotte Lehan City of Wilsonville, Mayor. Offers written testimony (**EXHIBIT H**) in support of the Transportation Funding Package.

050 Chair Brown Asks about an industrial site in Wilsonville.

055 Lehan Points out the need for proper transportation facilities to allow the development of new industrial sites.

070 Laura Pryor Association of Oregon Counties. Thanks all those that have worked on the Transportation Funding Package. Offers written testimony (**EXHIBIT I**) in support of the Transportation Funding Package. Outlines the ways in which the cities and counties will use the funding generated by the Package.

170 Jim Torrey League of Oregon Cities. Offers written testimony (**EXHIBIT J**) in support of the Transportation Funding Package.

205 Chair Brown Recesses the meeting until after the House floor session, when the Committee will reconvene at 1:30 p.m. in Hearing Room E.

RECESS

210 Chair Brown Calls meeting back to order at 1:41 p.m., and opens a public hearing on HB 2041 and HB 2367.

The following exhibit is submitted to the record without public testimony:

Staff Submits project overview document (**EXHIBIT K**).

HB 2041 & HB 2367 – PUBLIC HEARING

215 Larry Campbell American Automobile Association. Offers testimony in support of the Transportation Funding Package. Points out the need to amend HB 2367 into HB 2041.

240 Bob Russell Oregon Trucking Association. Offers testimony in support of the Transportation Funding Package. Thanks all those who worked on the package.

255 Chair Brown Thanks Mr. Campbell and Mr. Russell for their work on the package.

265 Russell Indicates the entire trucking community's support for the package, and thanks ODOT director Bruce Warner for his leadership on the issue.

285 D.E. Bridges Forest Products Transportation Association. Offers testimony in support of the Transportation Funding Package. Notes several concerns.

340 Al Elkins Oregon Tow Trucks Association. Offers testimony in support of the Transportation Funding Package.

355 Rep. Greenlick Asks Mr. Russell to clarify a specific section in the -6 amendments to HB 2041.

370 Russell Points out the primary intent of the package is to fix the bridge problem, and the secondary intent is to stimulate the economy.

TAPE 112, A

005 Rep. Beyer Asks whether the bill in any way violates cost responsibility.

010 Russell Indicates his belief that this would in no way violate the cost responsibility provision of the state constitution.

015 Rep. Beyer Thanks Mr. Russell for putting that assurance on the record.

020	Rep. Zauner	Asks whether the new engines would allow the trucks to idle less than they do currently.
025	Russell	Outlines the benefits of using the new engines.
040	Dick Yates	Legislative Revenue Office. Offers a revenue outlook for the Transportation Funding Package, with reference to the issued revenue impact statements for HB 2041 (EXHIBIT L) and HB 2367 (EXHIBIT M).
140	Rep. Greenlick	Asks about specific wording in the bill, and how Mr. Yates estimates revenues based on that wording.
145	Yates	Explains the estimation tools which he used to estimate those revenues from the section in question.
155	Rep. Greenlick	Asks what multiplier is used and whether it is the same throughout the state.
160	Yates	Further discusses the multiplier which was used.
170	Chair Brown	Asks whether the difference in cost allocation catches up after one biennium.
175	Yates	Acknowledges, and discusses the cost allocation equalizers.
180	Rep. Beyer	Asks about specific figures in the revenue impact statements.
185	Yates	Offers reasoning for the wording in question.
190	Chair Brown	Asks Mr. Yates to address the revenue impact statement for HB 2367.
195	Yates	Offers an overview of the HB 2367 revenue impact statement.
205	Chair Brown	Thanks Mr. Yates for his work on the Package.
215	Representative Vic Backlund	House District 25. Offers testimony regarding HB 2041-6 amendments, pointing out the importance of transportation issues in his district.
250	Leslie Lewis	Yamhill County, Commissioner. Offers testimony in support of the Transportation Funding Package.
325	Rep. Backlund	Expresses his support for the coming -7 amendments to HB 2041.
330	Chair Brown	Relates his experience regarding the transportation issue mentioned by Ms. Lewis.
335	Lewis	Comments on the link between her district and coastal communities.
350	Rep. Verger	Asks whether there is a gas tax increase in either bill.
355	Chair Brown	Indicates there is no such increase.
365	John Ledger	Association of Oregon Industries. Offers testimony in support of the proposed Transportation Funding Package.
420	Tom Gallagher	Schnitzer Steel Industries. Offers testimony in support of the Transportation Funding Package.
TAPE 111, B		
010	Rich Angstrom	Oregon Concrete Aggregate Producers Association. Offers testimony in support the Transportation Funding Package.
060	Chair Brown	Asks whether the industry has enough aggregate to complete all the jobs implied by the Transportation Funding Package.
065	Angstrom	Comments on the aggregate supplies in the state.
080	Rep. Verger	Comments on a situation at the Port of Umpqua.
090	Marshal Coba	American Council of Engineering Companies (ACEC) of Oregon. Introduces and defers to Mr. Moyano and Mr. Harley.
095	Dave Moyano	American Council of Engineering Companies (ACEC) of Oregon. Offers testimony in support of the Transportation Funding Package.
160	Gayle Harley	American Council of Engineering Companies (ACEC) of Oregon. Offers testimony in support of the Transportation

		Funding Package.
200	Rep. Greenlick	Points out the large need for engineers to complete the proposed projects, and asks if there are enough to fill this need.
205	Moyano	Offers his interpretation of how many engineers would be needed to complete the proposed projects, and indicates there would be enough engineers to fill the need.
220	Rep. Greenlick	Asks Mr. Moyano to address the efficiency of ODOT to completing these projects.
230	Moyano	Indicates that he has a large amount of confidence in ODOT's efficient use of the money.
340	Rep. Greenlick	Points out his concern for the size of the project.
350	Moyano	Comments on managing the process.
360	Bob Shiprack	Oregon Building and Trades Council. Offers testimony in support of the proposed Transportation Funding Package.
395	Rep. Greenlick	Refers to a recent article written by Mr. Shiprack regarding keeping jobs in Oregon.
400	Shiprack	Comments on the news article he authored.
415	Jeff Carlson	International Association of Bridge, Structural, Ornamental, and Reinforcing Ironworkers, Local 29. Offers testimony in support of the proposed Transportation Funding Package.
440	Tim Nesbitt	Oregon AFL-CIO. Offers testimony in support of the proposed Transportation Funding Package.
460	Ralph Groener	AFSCME. Offers testimony in support of the proposed Transportation Funding Package. Offers an example of the problem being fixed in Clackamas County.
TAPE 112, B		
050	Jeanne Staton	Associated General Contractors. Offers written testimony (EXHIBIT N) in support of the proposed Transportation Funding Package.
110	Jessica Harris	Associated General Contractors. Offers testimony in support of the proposed Transportation Funding Package.
120	Rod Park	Metro Council. Offers testimony in support of the proposed Transportation Funding Package. Expresses some concern for certain sections of the bill.
180	Randall Edwards	Oregon State Treasurer. Offers written testimony (EXHIBIT O) regarding HB 2041 as amended. Offers an explanation for the proposed bonding, while expressing concern for designating general funds.
260	Chair Brown	Thanks Mr. Edwards for his explanation of the bonding process.
265	Rep. Greenlick	Points out he agrees with Mr. Edwards. Asks Mr. Edwards to address the effects of sequestering general funds.
285	Edwards	Comments on the bonding process in the context of the states bond rating.
325	Lynn Lundquist	Oregon Business Association. Offers testimony in support of the proposed Transportation Funding Package.
365	John Watt	John Watt & Associates. Indicates that he represents a consortium of Southern Oregon business and government interests. Offers written testimony (EXHIBIT P) in support of the proposed Transportation Funding Package.
400	Doug Riggs	Central Oregon Cities Organization. Offers testimony in support of the proposed Transportation Funding Package.
TAPE 113, A		
005	Catherine Ciarlo	Bicycle Transportation Alliance. Offers testimony regarding the proposed Transportation Funding Package, with reference to

050	Jacob Brostoff	written testimony (EXHIBIT Q) submitted after the meeting. 1000 Friends of Oregon. Offers written testimony (EXHIBIT R) in support of the proposed -5 amendments (EXHIBIT S) to HB 2041.
135	Chair Brown	Clarifies that Mr. Brostoff opposes the general fund sequester going to senior and disabled transit.
140	Brostoff	Explains that they do not oppose this use of the funds, but do have concerns with the sequestration in the bill.
150	Matt Blevins	Oregon Environmental Council. Offers written testimony (EXHIBIT T) regarding the proposed Transportation Funding Package. Expresses concern for the Diesel Engine Tax Credit, and expresses concern for the section which would limit ODOT's ability reduce vehicle capacity. Indicates his groups support for the proposed -5 amendments.
200	Susan Schneider	City of Portland. Offers testimony in support of the proposed Transportation Funding Package. Submits to the record a letter (EXHIBIT U) from Jim Francesconi, Portland City Commissioner.
225	Chair Brown	Comments on the lack of opposition to either measure.
235	Rep. Beyer	Asks whether there are wedge dollars in either bill.
245	Bruce Warner	Oregon Department of Transportation, Director. Offers an explanation of wedge dollars, and comments on the use of wedge dollars.
275	Rep. Zauner	Asks about the amount of money owed to ODOT as indicated in testimony from another committee.
285	Warner	Indicates that he does not know what information Rep. Zauner is looking at, but addresses the issue.
290	Chair Brown	Points out that any damage which is done to the infrastructure by an accident is may be included as money owed to ODOT.
295	Warner	Concurs with Chair Brown's point.
305	Chair Brown	Closes the public hearings on HB 2041 and HB 2367, and adjourns the meeting at 3:38 p.m.

EXHIBIT SUMMARY

- A – HB 2041 & HB 2367, written testimony, Pat Egan, 3 pp.**
- B – HB 2041, -6 amendments, Staff, 43 pp.**
- C – HB 2367, -2 amendments, Staff, 6 pp.**
- D – HB 2041 & HB 2367, 2003 Oregon Transportation Investment Act (III), Staff, 1 p.**
- E – HB 2041, Secured Critical Freight Routes (map), Senator Starr, 1 p.**
- F – HB 2041 & HB 2367, written testimony, Stuart Foster, 2 pp.**
- G – HB 2041 & HB 2367, written testimony, Bruce Warner, 4 pp.**
- H – HB 2041 & HB 2367, written testimony, Charlotte Lehan, 1 p.**
- I - HB 2041 & HB 2367, written testimony, Laura Pryor, 12 pp.**
- J – HB 2041 & HB 2367, written testimony, Jim Torrey, 3 pp.**
- K – HB 2041 & HB 2367, project overview document, Staff, 1 p.**
- L – HB 2041, revenue impact statement, Dick Yates, 2 pp.**
- M – HB 2367, revenue impact statement, Dick Yates, 1 p.**
- N – HB 2041 & HB 2367, written testimony, Jeanne Staton, 2 pp.**
- O – HB 2041, written testimony, Randall Edwards, 2 pp.**
- P – HB 2041 & HB 2367, written testimony, John Watt, 1 p.**

Q – HB 2041, submitted written testimony from Catherine Ciarlo, Staff, 2 pp.

R – HB 2041, written testimony, Jacob Brostoff, 2 pp.

S – HB 2041, -5 amendments, Jacob Brostoff, 2 pp.

T – HB 2041 & HB 2367, written testimony, Matt Blevins, 2 pp.

U – HB 2041 & HB 2367, submitted written testimony from Jim Francesconi, Susan Schneider, 1 p.