

HOUSE COMMITTEE ON TRANSPORTATION

April 25, 2001
8:00 A.M.

Hearing Room D
Tapes 101 - 102

MEMBERS PRESENT: Rep. Bruce Starr, Chair
Rep. Alan Brown, Vice-Chair
Rep. Jeff Merkley, Vice-Chair
Rep. Richard Devlin
Rep. Jeff Kropf
Rep. Donna Nelson
Rep. Joanne Verger
Rep. Cliff Zauner

MEMBER EXCUSED: Rep. Diane Rosenbaum

STAFF PRESENT: John Leon, Committee Administrator
Kevin Wells, Committee Assistant

MEASURE/ISSUES HEARD: Alternative Fuel Vehicles Presentation
HB 3946 Public Hearing
HB 3408 Public Hearing
HB 3882 Public Hearing and Work Session
HB 2139 Work Session
HB 3876 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 101, A		
003	Chair Starr	Calls the meeting to order at 8:05 a.m. Opens a presentation on alternative fuel vehicles by the Ford Motor Company.
019	Will Gonzalez	Western Governmental Affairs Manager, Ford Motor Company. Gives an overview of Ford's alternative fuel vehicle program (EXHIBIT A).
026	Scott Ruhlen	Western Alternative Fuel Marketing, Ford Motor Company. Presents Ford's alternative fuel vehicle program in a PowerPoint presentation. Discusses important issues to consider with alternative fuel vehicles.
065	Chair Starr	Asks if there are fueling stations available for these vehicles.
067	Ruhlen	Replies that there are stations available though it varies regionally.
073	Chair Starr	Asks if there are subsidies supporting the development of alternative fuel vehicles and the necessary infrastructure.
076	Ruhlen	Discusses funding sources for research and development of these vehicles and infrastructure.
126	Ruhlen	Previews the alternative fuel vehicles that Ford is currently marketing and those currently in development.
200	Ruhlen	Discusses the challenges of engineering fuel cell vehicles. Stresses that developing the necessary infrastructure to support these vehicles is the main obstacle to rolling out zero-emission

		vehicles.
243	Rep. Merkley	Asks if pollution caused by manufacturing alternative fuels is considered when estimating emission ratings of these vehicles.
254	Ruhlen	Discusses “upstream emissions” of alternative fuel vehicles. Concludes that these vehicles’ emissions are very clean.
299	Rep. Brown	Asks about the safety of hydrogen fuel systems.
304	Ruhlen	Explains the safety features of their hydrogen and natural gas fuel systems. Highlights other safety features.
355	Rep. Brown	Asks if compressed natural gas fuel is available to motorists.
359	Ruhlen	Replies that it is available in California though it is not readily available in Oregon. Explains the partnerships needed to develop the infrastructure for alternative fuel vehicles.
TAPE 102, A		
005	Ruhlen	Suggests how the state can facilitate the development of the needed infrastructure. Discusses servicing of alternative fuel vehicles.
024	Chair Starr	Asks how long until the developmental cars are rolled out.
027	Ruhlen	Discusses the timeline. Suggests that Oregon participate in the trial program. Outlines the challenges to rolling out these vehicles.
080	Chair Starr	Thanks the panel.
088	Rep. Merkley	Relates his belief that hydrogen is the fuel of the future.
096	Chair Starr	Opens a public hearing on HB 3946.
<u>HB 3946 PUBLIC HEARING</u>		
100	John Leon	Committee Administrator. Explains that HB 3946 creates a task force to study road user tax options (EXHIBIT B).
125	Randy Papè	Chair, Oregon Business Council (OBC) Transportation Task Force. Supports HB 3946 (EXHIBIT C). Explains the need for additional transportation funding through alternative funding sources. Suggests the need to study public needs and preferences.
177	Deidre Molander	Project Director, OBC. Supports HB 3946.
180	Rep. Nelson	Thanks everyone for working on resolving these problems.
195	Craig Campbell	American Automobile Association Oregon. Supports HB 3946.
230	John Watt	Southern Oregon Transportation Alliance. Supports HB 3946 (EXHIBIT D). Explains the need to find alternatives to current gas taxes. Emphasizes the need for additional funding for transportation.
270	Chris Hagerbaumer	Air and Transportation Program Director, Oregon Environmental Council. Supports HB 3946 (EXHIBIT E).
304	Bill Penhollow	Association of Oregon Counties. Supports HB 3946 (EXHIBIT F). Discusses the need to find alternatives to the gas tax in order to invest in Oregon’s transportation infrastructure. Recommends that a county and a city representative be added to the task force.
362	Andrea Fogue	League of Oregon Cities. Supports HB 3946. Stresses the need for transportation funding. States that the task force created by the measure is an excellent first step to fair and stable funding.
383	Rep. Verger	Notes that the quality of city and county roads varies widely. Asks if their representatives would identify communities that support transportation development with their own funds.
TAPE 101, B		
011	Penhollow	Agrees that the counties need to be accountable to the public for how they use transportation funds. States that counties can help the task force educate the public and prioritize local projects.

032	Fogue	Acknowledges that the cities need to educate the public and be accountable for how they use public funds on transportation.
038	Rep. Verger	Asks to know which local governments have matched state funds.
043	Fogue	Agrees it is important to know which communities put a priority on transportation.
050	Jessica Harris	Associated General Contractors. Supports HB 3946. Agrees with previous testimony that transportation funding needs to be revised.
059	Chair Starr	Closes the public hearing on HB 3946. Opens a public hearing on HB 3408.

HB 3408 PUBLIC HEARING

064	Chair Starr	Explains that HB 3408 will be amended for another purpose.
076	Bob Tiernan	Outlines support HB 3408 (EXHIBIT G).
115	Chair Starr	Closes the public hearing on HB 3408. Opens a public hearing on HB 3882.

HB 3882 PUBLIC HEARING

119	Leon	Reviews HB 3882 and its provisions.
130	Mike Marsh	Executive Deputy Director, Oregon Department of Transportation (ODOT). Supports HB 3882 (EXHIBIT H). Explains why a transportation operating fund needs to be established.
150	Rep. Kropf	Asks if this changes the current program that allows for a refund of the gas tax under certain circumstances.
155	Marsh	Indicates that refunds will still be available.
157	Chair Starr	Asks if unclaimed refunds will accumulate in the new operating fund.
160	Marsh	Agrees that is how unclaimed refunds would be managed.
163	Rep. Brown	Asks how ODOT knows how much of the gas tax should go into the operating fund as unclaimed refunds.
164	Marsh	Explains that there has been national research and ODOT will conduct a statewide study to determine that amount.
175	Rep. Zauner	Asks if this will affect ODOT's computer systems.
178	Marsh	Replies that this will not negatively impact their computer systems.
183	Rep. Nelson	Asks how ODOT will account for non-road use gas taxes.
190	Marsh	Indicates that ODOT will conduct statewide sampling to determine how gasoline is being used as well as using national data.
201	Rep. Nelson	Asks how this is tracked now.
203	Marsh	Indicates that such uses are not accounted for at present.
205	Chair Starr	Closes the public hearing on HB 3882. Opens a work session on HB 3882.

HB 3882 WORK SESSION

208	Rep. Zauner	MOTION: Moves HB 3882 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
211		VOTE: 7-0
	Chair Starr	EXCUSED: 2 - Devlin, Rosenbaum
		Hearing no objection, declares the motion CARRIED.
215	Chair Starr	Closes the work session on HB 3882. Opens a work session on HB 2139.

HB 2139 WORK SESSION

218 Leon Reviews HB 2139 and the -7 amendment (**EXHIBIT I**).
252 Chair Starr Asks Ms. Kelly Taylor if the -7 amendments are acceptable.
256 Kelly Taylor ODOT. States that the -7 amendments are acceptable.
264 **Chair Starr** **MOTION: Moves to ADOPT HB 2139-7 amendments dated 04/24/01.**

267 Rep. Verger States that HB 2139 with the -7 amendments is bad for small business and economic development. States that the timeline for increasing the fees is too fast and the size of the increase is too large. Expresses concern that businesses are subsidizing services for others.

304 Rep. Zauner Concurs with Rep. Verger. Suggests that the Department of Motor Vehicles (DMV) needs to operate more efficiently. Intends to vote "no" on the amendment and "yes" on the measure.

319 Rep. Nelson Concurs with Rep. Verger and Rep. Zauner. Notes that HB 2139 is called for by the Attorney General's opinion and needs to be addressed. Regrets the impact this will have on the business community.

340 Rep. Merkley Asks Rep. Verger about her concerns and how her they can be addressed by the committee.

349 Rep. Verger Suggests that a phase in of the fee increases would be appropriate. Suggests that there are other ways to increase DMV revenue without burdening businesses.

373 Rep. Kropf Comments on his concern with the -7 amendments. States that the increase in the new car dealer license fee is not equitable for small car dealerships. States that he will support the motion and the measure.

TAPE 102, B

003 Chair Starr Discusses HB 2139 as it was originally written and the compromises that have been made to craft the -7 amendments. Stresses that those who will be regulated and will pay the fee were part of the negotiations. Emphasizes that agreement has been reached and HB 2139 needs to move. Discusses the philosophical issues involved.

050 Chair Starr States that HB 2139 with the -7 amendments are good public policy.

055 Rep. Brown Supports the -7 amendments.

057 Rep. Merkley Acknowledges the difficulty of crafting solutions to the problems addressed in HB 2139.

063 **VOTE: 6-2**
AYE: 6 - Brown, Devlin, Kropf, Merkley, Nelson, Starr
NAY: 2 - Verger, Zauner
EXCUSED: 1 - Rosenbaum
The motion CARRIES.

071 **Chair Starr** **MOTION: Moves HB 2139 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.**
Chair Starr

072 **VOTE: 8-0**
AYE: In a roll call vote, all members present vote Aye.
EXCUSED: 1 - Rosenbaum

	Chair Starr	The motion CARRIES.
078	Chair Starr	Closes the public hearing on HB 2139. Opens a public hearing on HB 3876.
	<u>HB 3876 PUBLIC HEARING</u>	
082	Leon	Explains that HB 3876's amendments establish the Oregon Turnpike Authority (EXHIBIT J & K).
096	Chair Starr	States intention to amend HB 3876 to explore alternative financing options for transportation projects.
103	Randy Hilderbrand	Chief of Staff, Senator Clarno's Office, Senate District 27. Explains Sen. Clarno's priority bill (EXHIBIT L). Suggest that it be adopted as an amendment to HB 3876.
115	Mike Bonetto	Policy Analyst, Sen. Clarno's Office. Discusses the proposed amendment to HB 3876. Notes that this is an effort to find innovative financing solutions for transportation projects.
160	Hilderbrand	Highlights provisions in Sen. Clarno's proposed amendment.
180	Rep. Merkley	Asks about the rewrite of the toll road language and why it is tied to the feasibility study. Suggests that the feasibility study take place prior to rewriting related language.
196	Hilderbrand	Replies that deleting the language allows for broader discussions.
203	Chair Starr	Suggests that this is consistent with HB 3946. Supports the broadest possible discussion on the issue.
215	Doug Tindall	Maintenance Engineer, ODOT. Comments on the proposed amendment. Supports the proposed amendment (EXHIBIT M).
239	Rep. Nelson	Expresses concern with the name of the Oregon Turnpike Authority. States that any financing options available need to be considered. Expresses a concern about potentially turning ODOT into a quasi-public entity with limited accountability to the public.
263	Hilderbrand	Replies to Rep. Nelson's concerns.
377	Chair Starr	States that this proposal provides ODOT with additional tools to search for innovative financing options for transportation projects so that Oregon can improve its transportation infrastructure.
282	Rep. Nelson	Asks about imminent domain considerations.
296	Chair Starr	Reviews discussion that have taken place on this issue.
299	Rep. Merkley	Expresses concerns about the policy decisions in the proposed amendments. Suggests that the committee needs time to consider the proposal and its implications.
323	Chair Starr	Agrees that time for due consideration is prudent. Adjourns the meeting at 9:50 a.m.

Submitted By,

Reviewed By,

Kevin Wells,
Committee Assistant

John Leon,
Committee Administrator

EXHIBIT SUMMARY

A – Presentation, brochures, Will Gonzalez, 5 pp.

B – HB 3946, LC amendments –1 (4/5/01), staff, 1 p.
C – HB 3946, written testimony, Randy Papè, 1 p.
D – HB 3946, written testimony, John Watt, 1 p.
E – HB 3946, written testimony, Chris Hagerbaumer, 1 p.
F – HB 3946, written testimony, Bill Penhollow, 3 pp.
G – HB 3408, written testimony, Bob Tiernan, 7 pp.
H – HB 3882, written testimony, Mike Marsh, 1 p.
I – HB 2139, LC amendments –7 (4/24/01), staff, 17 pp.
J – HB 3876, LC amendments -1 (4/23/01), staff, 5 pp.
K – HB 3876, LC amendments -2 (4/23/01), staff, 1 p.
L – HB 3876, LC Draft 4242 (4/23/01), Randy Hilderbrand, 7 pp.
M – HB 3876, written testimony, Doug Tindall, 1 p.