

# HOUSE COMMITTEE ON TRANSPORTATION

May 4, 2001  
8:00 A.M.

Hearing Room D  
Tapes 109 – 112

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

**MEMBER EXCUSED:** Rep. Richard Devlin

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

**MEASURE/ISSUES HEARD:** HB 3850 Public Hearing and Work Session  
HB 3413 Public Hearing  
HB 3871 Public Hearing and Work Session  
HB 3068 Public Hearing and Work Session  
HB 3106 Public Hearing and Work Session

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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.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 109, A</b>		
003	Chair Starr	Calls the meeting to order at 8:05 a.m. Opens a public hearing on HB 3850.
<b><u>HB 3850 PUBLIC HEARING</u></b>		
008	John Leon	Committee Administrator. Reviews HB 3850 ( <b>EXHIBIT A</b> ).
031	Rep. Jeff Merkley	House District 16. Reviews the -2 amendments to HB 3850 ( <b>EXHIBIT B</b> ). Explains what a parking cash-out program is. Discusses why this amendment should be adopted.
066	Rep. Merkley	Discusses the benefits of parking cash-out programs for employees, employers and the transportation system.
084	David Levine	Supports the -2 amendments to HB 3850 ( <b>EXHIBIT C</b> ). Notes the federal policy on parking cash-out programs. Advises that this is a tool to deal with increasing congestion on Oregon's busiest roads. Alleges that subsidized parking increases traffic congestion.
136	Levine	Outlines exemptions that make to proposal more practical. Discusses the cash benefits to employees and employers.
163	Chair Starr	States support for the proposal and the desire to move the amendment.
166	Rep. Rosenbaum	Asks if 95% of employees actually receive free parking
172	Levine	Explains where that statistic comes from.
178	Rep. Rosenbaum	States that her employer does not provide free parking. Suggests that the statistic seems too high.

182 Levine Provides further information on the source of his statistic.  
 Reports that most employers own their own parking lots.  
 191 Rep. Rosenbaum Asks if employers are required to encourage telecommuting and  
 alternative transportation. Asks how this will effect those  
 efforts.  
 198 Levine Explains the telecommunication policy. States that this  
 amendment complements the efforts Rep. Rosenbaum referred  
 to.  
 214 Rep. Rosenbaum Asks if employers will withdraw parking benefits to avoid the  
 parking cash-out benefit.  
 218 Rep. Merkley States that this is compatible with current company policies.  
 Suggests that it is unlikely that employers would withdraw the  
 fringe benefit, as there are benefits to the employer as well.  
 258 Rep. Brown Asks how many cities would be impacted.  
 260 Rep. Merkley Replies that three cities would be affected.  
 262 Rep. Brown Asks how this would affect those cities.  
 265 Rep. Merkley Clarifies the exemptions. Illustrates how this would work.  
 290 Rep. Nelson Asks why a law is needed to do this. Asks if employers can do  
 this.  
 299 Rep. Merkley Responds that parking is considered a fringe benefit that must be  
 accounting for in payroll taxes.  
 308 Levine Offers that the measure is also educational in publicizing the  
 concept.  
 321 Rep. Merkley Reads Commissioner Charlie Hales' written testimony into the  
 record **(EXHIBIT D)**.  
 355 Chris Hagerbaumer Oregon Environmental Council. Supports HB 3850 with the -2  
 amendments. Reviews pertinent statistics.  
 380 Ross Williams Citizens for Sensible Transportation. Supports HB 3850 with  
 the -2 amendments **(EXHIBIT E)**. Outlines benefits of the  
 measure.

**TAPE 110, A**

012 Bernie Bottomly Government Affairs Tri-Met. Supports HB 3850 **(EXHIBIT  
 F)**. Reports on Tri-Met's transit pass and car pool programs.  
 040 Glen Hadley Salem Area Transit. Supports HB 3850 **(EXHIBIT G)**.  
 050 Jacob Brostoff 1000 Friends of Oregon. Supports HB 3850 **(EXHIBIT H)**.  
 Articulates that parking lots contribute to rising climatic  
 temperatures.  
 065 Chair Starr Closes the public hearing on HB 3850. Opens a work session on  
 HB 3850.

**HB 3850 WORK SESSION**

**070 Rep. Zauner MOTION: Moves to ADOPT HB 3850-2 amendments dated  
 04/19/01.  
 VOTE: 7-0  
 EXCUSED: 2 - Devlin, Kropf  
 Chair Starr Hearing no objection, declares the motion CARRIED.**  
**074 Rep. Zauner MOTION: Moves HB 3850 to the floor with a DO PASS AS  
 AMENDED recommendation.**  
 077 Rep. Merkley Thanks everyone for his or her help.  
**080 VOTE: 7-0  
 AYE: In a roll call vote, all members present vote Aye.  
 EXCUSED: 2 - Devlin, Kropf  
 Chair Starr The motion CARRIES.  
 REP. MERKLEY will lead discussion on the floor. Closes**

the work session on HB 3850. Opens a public hearing on HB 3871.

**HB 3871 PUBLIC HEARING**

094	Leon	Explains HB 3871 allows for tax credits on usage-based car insurance policies under certain conditions ( <b>EXHIBIT I &amp; J</b> ).
108	Rep. Brown	Asks if the referral is to Ways and Means or to Revenue.
109	Leon	Replies the referral is to Ways and Means.
114	Rep. Rosenbaum	Asks why HB 3871 is not referred to Ways and Means.
116	Leon	Indicates that the referral to Ways and Means can be rescinded.
128	Hagerbaumer	Supports HB 3871. Explains the economics behind the concept. ( <b>EXHIBIT K</b> ). Highlights benefits of usage-based car insurance.
180	Hagerbaumer	Continues to outline the advantages of usage-based car insurance.
228	Dave Brook	Car Sharing Portland. Supports HB 3871. Discusses the economics of usage-based insurance. Suggests that this helps the markets.
274	Williams	Supports HB 3871 ( <b>EXHIBIT L</b> ). Explains that this benefits consumers and society.
300	Rep. Nelson	Asks if credits against the premium for not using the vehicle for a certain duration of time would be easier to administer.
321	Hagerbaumer	Replies that it would be up to each insurance company to determine how to implement the concept. Reports that new technology makes usage-based insurance economically feasible.
352	Brian Boe	National Association of Independent Issuers. Supports HB 3871. Relates successful usage-based insurance pilot programs.
380	Bottomly	Supports HB 3871.
385	Chair Starr	Closes the public hearing on HB 3871. Opens a work session on HB 3871.

**HB 3871 WORK SESSION**

390	Rep. Merkley	<b>MOTION: Moves to ADOPT HB 3871-1 amendments dated 04/17/01.</b>
		<b>VOTE: 6-0</b>
		<b>EXCUSED: 3 - Devlin, Kropf, Rosenbaum</b>
	Chair Starr	<b>Hearing no objection, declares the motion CARRIED.</b>
395	Rep. Merkley	<b>MOTION: Moves HB 3871 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue.</b>
400	Rep. Verger	States that the public needs to be educated on the issue.
402	Chair Starr	Agrees with Rep. Verger. Conveys that the measure enables private industry to lead the way in educating the public.
410		<b>VOTE: 6-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
		<b>EXCUSED: 3 - Devlin, Kropf, Rosenbaum</b>
	Chair Starr	<b>The motion CARRIES.</b>

**TAPE 109, B**

020	Chair Starr	Closes the work session on HB 3871. Opens a public hearing on HB 3413.
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**HB 3413 PUBLIC HEARING**

025	John Leon	Reviews HB 3413 and its amendments ( <b>EXHIBIT M</b> ).
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		Explains that it authorizes ODOT to use certain funds for highway modernization allocations. Explains the –2 amendments.
049	Andrea Fogue	League of Oregon Cities. Supports HB 3413 ( <b>EXHIBIT N</b> ).
090	Cory Crebbin	City of Medford. Supports HB 3413. Explains how to federalize funds for transportation projects. Relates how HB 3413 helps cities.
115	Fogue	Refers to <b>EXHIBIT N</b> .
130	Rep. Zauner	States that Oregon needs to get the federal government out local projects.
140	Bruce Warner	Director, Oregon Department of Transportation (ODOT). Supports HB 3413 ( <b>EXHIBIT O</b> ). Explains how the measure helps ODOT most efficiently utilize its funds.
202	Chair Starr	Asks if adoption of the amendments reduces the amount spent on modernization programs.
205	Warner	Replies that there will be no reduction in those programs.
206	Chair Starr	Asks if the formula for distributing funds will change.
207	Warner	Responds that the formula will not change.
208	Chair Starr	Asks how many states do not use all of their federal funds.
210	Warner	Indicates that he does not know.
216	Chair Starr	Asks for that information.
220	Bill Penhollow	Association of Oregon Counties. Supports HB 3413 ( <b>EXHIBIT P</b> ).
244	Rep. Zauner	Asks why Tillamook does not use all of its funds.
245	Penhollow	Explains what Tillamook does with its funds.
258	Chair Starr	Close the public hearing on HB 3413. Opens a public hearing on HB 3068.

**HB 3068 PUBLIC HEARING**

266	Leon	Explains HB 3068 and the –1 amendment ( <b>EXHIBIT Q</b> ). Notes that this measure is in response to the Attorney General’s (AG) opinion on Highway Funds. Explains the fee to utility companies. Outlines the measure’s provisions.
313	Warner	Supports HB 3068 ( <b>EXHIBIT R</b> ). Discusses utilities use of highway right of ways. Explains HB 3068 and how it will be implemented.
370	Chair Starr	Asks what would happen if the measure does not pass.
372	Warner	Responds that ODOT would have to suspend work benefiting utilities or search for alternative funding mechanisms. Contends that no other solution would be acceptable to either ODOT or utilities.
385	Chair Starr	Asks if utilities would be allowed to work on highway right of ways.
388	Warner	Indicates that it would be difficult if not impossible for utilities to work on right of ways.
390	Rep. Verger	Asks for a list of programs affected by the AG’s opinion. Asks why the cost is not passed on to utility companies.
408	Warner	Replies that ODOT has no problem passing the cost on to utilities. Offers to provide a summary of the effects of the AG’s opinion.

**TAPE 110, B**

016	Rep. Verger	Asks that cost resulting of the AG’s opinion be treated fairly.
020	Warner	Agrees that all fee increases need to be equitable. Adds that the utilities have agreed to this proposal.
025	Chair Starr	Reports that there is only one more AG bill before the

		committee.
032	Rep. Nelson	Asks what the cost to utilities will be.
036	Doug Tindall	Maintenance Engineer, ODOT. Responds that the cost will be \$4.6 million a biennium.
038	Rep. Nelson	Asks how the cost is determined.
040	Tindall	Explains the charge will be per permit.
042	Rep. Nelson	Asks what the basis for that is.
043	Tindall	Replies that it will be determined in administrative rule.
047	Rep. Nelson	Asks if these are one-time permits.
049	Tindall	Responds affirmatively.
052	Rep. Nelson	Asks if the permit is good for one site for an entire year.
053	Tindall	Clarifies his explanation that the permits are for project construction, maintenance and repair.
058	Rep. Nelson	Expresses concern about rising utility costs. Asks if there are other options.
063	Tindall	Relates that utilities suggest using General Funds for this.
073	Penhollow	Supports HB 3068 as amended. Submits written testimony <b>(EXHIBIT S)</b> . Discusses how counties fund transportation projects.
125	Penhollow	Continues to discuss HB 3068.
175	Penhollow	Discusses the –2 amendments to HB 3068.
203	Laura Pryor	Discusses HB 3068. Expresses frustration with the public policy process.
250	Pryor	Notes that legislation impacts counties. Stresses the need to understand how the public policy process system works as a whole.
275	Chair Starr	Acknowledges that the counties need to be involved in this discussion.
281	Dale Horman	Assistant Attorney General. Testifies on HB 3068.
291	Chair Starr	Clarifies a question for the AAG.
294	Horman	Explains the AG’s opinion as it relates to HB 3068.
327	Gary Bauer	Northwest Natural. Supports HB 3068. Discusses the legal issues of HB 3068. Explains how the program has operated historically.
370	Bauer	Comments on the AG’s opinion.
384	Tim Sercombe	Attorney, Northwest Natural. Supports HB 3068. Disagrees with the AG’s opinion.

**TAPE 111,A**

010	Sercombe	Outlines the compromises reached to address the AG’s opinion.
022	Bauer	Expresses concern about this becoming a funding mechanism for ODOT. Notes other issues raised in negotiations.
044	Chair Starr	Asks about a provision in the –1 amendments.
050	Sercombe	Explains what the language does and why it was included.
057	Bauer	Adds that various activities are permitted and the language addresses it.
067	Chair Starr	Thanks everyone for their effort.
070	Rep. Verger	Asks how many years the Highway Funds have been misused.
075	Chair Starr	Replies that as long as power poles have been along highways this has been happening. Explains why the AG reviewed ODOT’s budget.
095	Chair Starr	Closes the public hearing on HB 3068. Opens a work session on HB 3068.

**HB 3068 WORK SESSION**

**104 Rep. Brown**

**MOTION: Moves to ADOPT HB 3068-1 amendments dated**

107 **05/03/01.**  
**VOTE: 6-0**  
**EXCUSED: 3 - Devlin, Merkley, Rosenbaum**  
**Hearing no objection, declares the motion CARRIED.**

109 **Chair Starr**  
**Rep. Brown**  
**MOTION: Moves HB 3068 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways & Means.**

113 **VOTE: 7-0**  
**EXCUSED: 2 - Devlin, Rosenbaum**  
**Chair Starr**  
**Hearing no objection, declares the motion CARRIED.**  
Closes the work session on HB 3068. Opens a public hearing on HB 3106.

**HB 3106 PUBLIC HEARING**

150 Leon Submits –1 amendments to HB 3106 (**EXHIBIT T**).  
156 Rep. Jeff Kropf House District 37. Supports HB 3106. Explains the need for a commuter rail between Eugene and Portland using existing freight lines. Uses a visual aid to illustrate his proposal. Extols the benefits of the proposal. Presents a video on the technology that would be used. Illustrates how the technology works. Mentions that Amtrack has studied this type of technology. Elaborates on how the system would work. Outlines what needs to be developed to make the system work. Urges consideration of this innovative idea. Asks that HB 3106 be sent to Ways and Means.

**TAPE 112, A**

007 Rep. Kropf Suggests that the federal government fund the study.  
011 Chair Starr States approval of the concept.  
017 Rep. Kropf Offers other information.  
021 Rep. Zauner Notes that this is similar to how ski lifts work.  
030 Claudia Howells Manager, Rail Division ODOT. States that ODOT does not object to the proposal. Explains that ODOT is already working on some of these issues. Adds that federal funds may be available.

046 Rep. Kropf Thanks ODOT for helping with this idea.  
054 Chair Starr Closes the public hearing on HB 3106. Opens a work session on HB 3106.

**HB 3106 WORK SESSION**

069 **Rep. Zauner**  
**MOTION: Moves to ADOPT HB 3106-1 amendments dated 03/26/01.**

070 **VOTE: 5-0**  
**EXCUSED: 4 - Devlin, Merkley, Rosenbaum, Verger**  
**Chair Starr**  
**Hearing no objection, declares the motion CARRIED.**

072 **Rep. Zauner**  
**MOTION: Moves HB 3106 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.**

074 **VOTE: 5-0**  
**EXCUSED: 4 - Devlin, Merkley, Rosenbaum, Verger**  
**Chair Starr**  
**Hearing no objection, declares the motion CARRIED.**  
Closes the work session and adjourns the meeting at 10:45 a.m.

Kevin Wells,  
Committee Assistant

John Leon,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – HB 3850, written testimony, submitted by staff for Peter Fernandez, 1 p**
- B – HB 3850, amendments, Rep. Merkley, 4 pp**
- C – HB 3850, written testimony, David Levine, 2 pp**
- D – HB 3850, written testimony, submitted by Rep. Merkley for Charlie Hales, 1 p**
- E – HB 3850, written testimony, Ross Williams, 1 p**
- F – HB 3850, written testimony, Bernie Bottomly, 1 p**
- G – HB 3850, written testimony, Glen Hadley, 1 p**
- H – HB 3850, written testimony, Jacob Brostoff, 1 p**
- I – HB 3871, written testimony, Craig Campbell, 1 p**
- J – HB 3871, amendments, staff, 1 p**
- K – HB 3871, written testimony, Chris Hagerbaumer, 8 pp**
- L – HB 3871, written testimony, Ross Williams, 1 p**
- M – HB 3413, amendments, staff, 5 pp**
- N – HB 3413, written testimony, Andrea Fogue, 10 pp**
- O – HB 3413, written testimony, Bruce Warner, 1 p**
- P – HB 3413, written testimony, Laura Pryor, 3 pp**
- Q – HB 3068, amendments, staff, 4 pp**
- R – HB 3068, written testimony, Bruce Warner, 1 p**
- S – HB 3068, written testimony, Bill Penhollow, 9 pp**
- T – HB 3106, amendments, staff, 1 p**