

**SENATE COMMITTEE ON GENERAL GOVERNMENT AND
TRANSPORTATION**

January 16, 2001 Hearing Room 343
3:00 PM Tapes 03 - 05

MEMBERS PRESENT: **Sen. Gary George, Chair**
 Sen. Rick Metsger, Vice-Chair
 Sen. Sen. Beverly Clarno
 Sen. Sen. Ken Messerle

MEMBER EXCUSED: **Sen. Sen. Margaret Carter**

STAFF PRESENT: **Patrick Balducci, Administrator**
 Nancy Masee, Committee Staff

MEASURE/ISSUES HEARD: **Oregon Department of Aviation**
 Transition of Department of Aviation
 ODOT Rail Section Function & Budget
 Overview of Federal Transportation Programs

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 03, A		
003	Sen. Gary George	Chair. Opens meeting at 3:05 pm. Makes opening remarks.
005	Patrick Balducci	Staff. Introduces state FFA officers who are visitors. Describes next Thursday's field trip to Woodburn and meeting at the council chambers in Woodburn.
050	Balducci	Explains SB 909, which requires the governor to submit a plan to the legislature that states how the Oregon Department of Transportation (ODOT) will spend funds on highway safety projects.
077	Chair George	Comments on future meetings that may be added to the committee. Introduces the Department of Aviation and its Director, Ann Crook.
<u>Experience and Future of Oregon Department of Aviation</u>		
104	Ann Crook	Director, Department of Aviation. Describes the background of the Aviation Department. Shows overhead transparencies (EXHIBIT A) .
119	Crook	Continues presentation of history and development of the department. Shows slides. <ul style="list-style-type: none">• SB 108 created Oregon Department of Aviation in 1999.• Funding for the Department• Financial aid to municipalities• General aviation airport entitlement program• Statewide airport pavement maintenance program
173	Chair George	Asks about funding prior to this program.

178	Crook	Says there was no prior funding.
180	Crook	Explains historical lack of federal funding. Describes establishing the Oregon Department of Aviation and outreach programs. Describes present funding of programs. <ul style="list-style-type: none"> • Aeronautics separates from ODOT. • Aviation Town Hall Meetings. • Newsletter and website. • International Aviation Art Contest • Oregon Air Fair. • Revolution in General Aviation Conference.
244	Crook	Focuses on commercial air issues and describes grant programs and how they helped Harbor Airlines. The aeronautics division granted funds to Harbor Airlines when they were in danger of becoming insolvent. Aeronautics Board wants the Division to show support for the aerospace industry.
290	Crook	Comments on developing alternate transportation choices for citizens. <ul style="list-style-type: none"> • To alleviate crowded highways • To transport when highways are blocked • To shorten time in traveling long distances in the state • To alleviate airport congestion
336	Crook	Explains private air flights available in the future. Continues discussing National Aeronautics and Space Administration (NASA) concepts. Describes SATS (Small Aircraft Transportation System). Explains the AGATE concept.
342	Chair George	Comments on unusual design of aircraft for general aviation, AGATE, Advanced General Aviation Transportation Experiment.
393	Crook	Discusses airplane design and SATS. Shows slide of plane made in Bend, Oregon.
TAPE 4, A		
016	Crook	Continues discussing different small airplane designs and navigational equipment. Global Positioning System (GPS) technology is implemented for locating planes, identifying terrain and communicating between planes.
033	Chair George	Asks if there is a transfer of responsibility to new plane technology from the air controllers.
040	Crook	Replies that is correct and explains the Highway in the Sky concept. Explains airport using capacity.
<u>Transition of Oregon Department of Aviation</u>		
074	Rep. Betsy Johnson	House District #1. Former ODOT manager of the aeronautics division. Discusses the importance of aviation in the state of Oregon. Explains the needs of airports and how funding can improve the airports. States there are Legislative members that are interested in forwarding aviation in Oregon.
124	Chair George	Asks if aviation is a safe commuter mode.
126	Rep. Johnson	Answer yes, however, accidents that occur are usually high profile. It is a very safe system.

140	Sen. Messerle	Relates experience in landing in San Francisco airport. Asks if commuter planes are safe in busy airports.
160	Rep. Johnson	States the tower would know what was going on. Comments on the aging national aviation system. Wants better commuter service in Oregon. Portland has a heliport and is the only west coast heliport in a major urban area.
200	Chair George	Asks about Fed Express type operations in transporting air cargo. Asks what implications are there in moving freight by air in Oregon.
025	Crook	Replies cargo movement by air is developing fast. Describes "free flight."
250	Rep. Johnson	States that huge investments in airports are being made by Asia. Continuous planning for airports is needed. Siting airports is important. Oregon's land use programs need to take into account airport planning.
282	Chair George	Comments that other modes of transportation will be taken into account when airports are planned.
285	Sen. Messerle	Comments on development of airports. Asks if new sites be sought or improving present sites of airports. Asks where we should be building airports.
300	Rep. Johnson	Says the Oregon coast has numerous airports. We need to maximize existing airports and undertake the future planning of airports.

ODOT Rail Section Function and Budget

340	Claudia Howells	ODOT Rail Division Manager. Gives overview of the rail division. Says the rail system is necessary in the network of transportation. States the division's purpose is to advocate for customers (EXHIBIT B).
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TAPE 3, B

004	Howells	Refers to printed overview of the Rail Division. Explains funding of program, including federal participation. State law mandates safety of railroad employees. Major part of program is crossing safety which is the best in reducing accidents. There is an increase in train and vehicular traffic.
060	Howells	Continues presentation on the Rail Division. Proposes two legislative measures. Rail safety section of the division is funded by railroad fees. Explains the federal participation program. Discusses investment in new technology of railroads.
078	Chair George	Asks about rail track replacement. Notes that track replacment expedited freight movements. it picks up speed of freight carriers.
083	Howells	Responds that through Salem about seven miles of track was replaced as was some in south Portland. About 12 to 15 miles have been replaced since this last summer. Discusses passenger rails in Oregon. Says ridership has grown rapidly. The division has assisted in connecting bus routes to railroads.
112	Chair George	Asks if there is competition with Greyhound buses.
117	Howells	Answers sometimes they do compete; however, Greyhound has the opportunity to bid. It is set up as a declining subsidy as they become more self sufficient.
152	Howells	Discusses funding sources for the rail programs.
162	Sen. Messerle	Asks about areas in Oregon that have potential for economic growth. For example, Coos Bay as a deep water port but capacity is lacking there. Asks if there is assistance to upgrade

184	Howells	these systems from ODOT. Answers that the rail division does not have funding but the Economic Development and Community Service Department aids funding when it is available.
203	Sen. Messerle	Asks about the Eugene connections that need upgrading.
209	Howells	Short lines and class one lines differ greatly. Class One railroads do not welcome short line competition.
215	Sen. Messerle	Asks if there is a state proposal for this.
218	Howells	Says it is a federal jurisdiction matter and the state could send a message of support.
235	Sen. George	Suggests that aviation has a similar situation. Referring to Astoria, asks if the short line will be used in the upcoming celebration of Lewis and Clark.
245	Howells	Says they are putting together a business plan but need funds. They will need \$5 million to advance that idea. The line is in need of some rehabilitation for passenger travel.
279	Sen. George	Asks about costs.
292	Howells	Describes rail cars that could be rehabilitated for use. The new equipment, Diesel Multiple Unit (DMU), does not meet the federal railroad standards for operating in mixed use. Describes right-of-way owned by the state.
329	Chair George	Comments on safety standards.
333	Howells	Says Class 1 carriers have tried to get indemnification through congress The U.S. differs from Europe on this. In the U.S., rail systems are owned privately. Union Pacific and Burlington Northern are concerned. Discusses budget information that the Fiscal office asked about.

TAPE 4, B

005	Howells	Summarizes budget information of the division. Explains the booming rail industry at present but there is a lack of funds.
020	Sen. Messerle	Asks why the rail freight activity diminish until a few years ago and is now coming back.
034	Howells	Responds that railroads were over-regulated for years. Railroads have not received public support for a long time. Highways were emphasized and supported during the railroads period of decline. Good deregulation and a change of attitude within the railroads has generated renewed interest in railroads. The capacity for business and passengers is there.

Overview of Federal Transportation Programs

118	Jason Tell	Senior Federal Affairs Analyst, ODOT. Gives an overview of federal transportation programs. Federal Transit Programs limited to capital only. Discusses need to keep short line railroads in business (EXHIBIT C).
130	Chair George	Asks about appealing to the federal government based on rural economies being affected by endangered species laws, 4D rules, to compensate states for the fiscal impact of federal mandates.
177	Sen. Messerle	Says the Coos Bay Bridge will be federally funded partially \$5 million, is that through the DOT program or Economic Development at the federal level?
180	Tell	Explains Transportation Equity Act for the 21 st Century (TEA-21) is the program that authorizes highway and transit programs.
211	Chair George	Comments on the fuel tax that the federal government receives.
240	Tell	Continues presentation explaining the federal highway program.

		Explains that federal standards are responsible for maintaining what is built with federal dollars and the state is responsible for the maintenance.
245	Chair George	Asks if the state cannot use federal funds for maintenance. Asks if the shift is to preservation maintenance
284	Tell	Explains preservation and maintenance. Discusses funding sources and where funds go. The Statewide Transportation Improvement Program (STIP) is the result of receiving federal funds. Discusses Match Programs.
338	Tell	Continues discussing opportunities in leveraging \$1 state money for every \$4 of federal money. Explains a committee that met to review and estimate the fiscal impact of environmental costs.
390	Chair George	Asks if it is just environmental issues or other strings.
395	Tell	Believes the committee looks at environmental and land use issues. Explains state and local governments received \$70 million from the TEA 21 federal money.

TAPE 5,A

004	Tell	Comments on the Emergency Relief (ER) Program. Discusses TEA 21 rewards for safety incentives pursued by states.
050	Tell	Describes the role of congress in oversight, legislation, and reauthorization of TEA-21 in 2003. Notes that if Oregon can demonstrate “over match” of federal funds in combination with an increased level of effort, it could receive more federal funding during the next authorization period.
080	Tell	Continues discussing trends: <ul style="list-style-type: none"> • Oregon falling behind other states in funding transportation • Oregon needs to increase investment from general fund, fees, sales taxes, etc • Oregon needs tolling (up 40 percent nationwide) • Oregon needs alternatives to the motor tax fuel tax. • Oregon needs to increase “level of effort”
155	Chair George	Adjourns 5:05 pm.

Submitted By,

Reviewed By,

Nancy Masee,
Committee Assistant

Patrick Balducci,
Administrator

EXHIBIT SUMMARY

A –Written testimony, Ann Crook, 9 pp

B – Written testimony, Claudia Howells, 16 pp

C – Written testimony, Jason Tell, 7 pp