

HOUSE COMMITTEE ON TRANSPORTATION

March 19, 1999 Hearing Room D

8:00 a.m. Tapes 51 - 52

MEMBERS PRESENT: Rep. Bob Montgomery, Chair

Rep. Mike Lehman, Vice-Chair

Rep. Richard Devlin

Rep. Jim Hill

Rep. Jeff Kropf

Rep. Jerry Krummel

Rep. Jane Lokan

Rep. Jackie Taylor

Rep. Vicki Walker

Rep. Larry Wells

STAFF PRESENT: Janet Adkins, Administrator

Brad Daniels, Administrative Support

MEASURE/ISSUES HEARD: HB 2082 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 51, A		

004	Chair Montgomery	Opens the meeting at 8:05 a.m. Opens the public hearing on HB 2082.
<u>HB 2082 PUBLIC HEARING</u>		
015	Max Brittingham	Oregon Refuse and Recycling Association (ORRA)/Oregon Highway Users Alliance (OHUA). Discusses the membership of OHUA (EXHIBIT A).
032	John Watt	Southern Oregon Businesses/OHUA. Describes his clients and their use of the highways. Discusses their interest in ODOT and its accountability. Supports the concept of a gas tax and reiterates their concern about accountability.
060	Brittingham	Discusses OHUA interest in the transportation issue. Supports an increase in the gas tax.
076	Rep. Hill	Asks if they would prefer a six or four-cent gas tax increase.
078	Brittingham	Explains that they have not discussed a particular number.
083	Watt	Acknowledges that both proposals represent gap financing.
090	Rep. Hill	Asks for a direct answer to his question about a particular increase.
094	Brittingham	Replies that he is not authorized to advocate for a particular number.
106	Rep. Lehman	Asks if they will support a gas tax increase in reality as well as in concept.
109	Brittingham	Answers that they will support an increase both in concept and reality.
120	Craig Campbell	Triple A Oregon. Supports HB 2082 as written (3+3 structure with a \$10 registration fee increase). Introduces recent poll results of Triple A members and discusses the mechanics of the survey (EXHIBIT B).
170	Campbell	Explains the responses to specific questions, including impressions of road conditions and increases in the gas tax and registration fees. Lists and describes the percentages in favor and opposition to each question.
207	Rep. Kropf	Asks if they asked any questions concerning gas tax increases without the words "equivalent truck taxes."
211	Campbell	Replies no. Reads the question that was posed.
223	Rep. Kropf	Asks if any questions were asked concerning bike paths or pedestrian projects.

225	Campbell	Replies no. States that Triple A usually does two polls, one of members and one paid poll of the public. Notes that the two polls often reflect similar results.
240	Rep. Taylor	Asks if any comparisons were done between ODOT's condition ratings and Triple A members' opinions of road conditions.
245	Campbell	Replies no. Adds that, since the poll was statewide, it will reflect a broad range of perceptions.
262	Rep. Lokan	Reviews the poll results. Asks how support for a gas tax should be interpreted.
268	Campbell	Answers that congestion may offer some explanation of why people may view road condition as good and still support a gas tax increase. Discusses the responses to questions that addressed studded tires. Notes the general support for a studded tire fee. Lists the percentages in support and opposition of studded tire fees.
330	Chair Montgomery	Asks if Campbell has a regional break-down of responses.
331	Campbell	Replies no. Concedes that some areas may oppose fees on studded tires more than others.
342	Rep. Wells	Inquires if the poll asked about new tire technologies as replacements to studded tires.
348	Campbell	Replies no.
386	James Osterman	President, Blount's Outdoor Products. Describes his business, its locations and its financial structure. Explains the effects of transportation on business costs in Oregon. States that taxes are too high in Oregon (EXHIBIT C).
TAPE 52, A		
017	Osterman	Supports a gas tax increase as a consumption tax. Notes that a number of people do not currently pay taxes. Describes the effects of congestion. Supports HB 2082 and the ñ2 amendments, without a sunset clause. Supports an additional \$10 increase in registration fees for high-growth counties. Relates statistics concerning growth in Clackamas county.
060	Osterman	Underlines the importance of maintenance and preservation. Reiterates his support for a six-cent increase and an increase in registration fees.
077	Rep. Kropf	Asks why Osterman's plant in Canada has less production costs.

082	Osterman	Replies that wages are the same, but regulatory costs are high.
088	Rep. Hill	Asks if a higher registration fee should be imposed by the state or counties.
093	Osterman	Replies that an increase would be more effective coming from the state.
105	Robert Behnke	Transportation Consultant. Reviews the results of a University of North Carolina-Charlotte study concerning the cost effectiveness of state highway agencies. Stresses the relatively good condition of roads and bridges in Oregon. Discusses Oregon's relatively high administrative costs and maintenance costs per mile. Suggests that the revenue from a gas tax should be earmarked for adding lane capacity. Suggests that Oregon, like Arkansas, should investigate commissioning a more detailed study (EXHIBIT D)
168	Rep. Hill	Asks Behnke what type of consulting he does.
170	Behnke	Replies that he works with computers and transportation.
172	Rep. Hill	Asks for Behnke's policy recommendation.
179	Behnke	Answers that he would favor an increase if it was used for new construction only.
183	Rep. Hill	Asks if he considers maintenance as part of increasing capacity.
185	Behnke	Replies no.
188	Chair Montgomery	Cites pp. 1, Item 10 of EXHIBIT D . Suggests that this estimation of rural road condition is unrealistic.
194	Chris Hagerbaumer	Oregon Environmental Council (OEC). Supports increasing the gas tax, registration fees and the weight-mile tax. Divides her testimony into three areas: <ul style="list-style-type: none"> • Appropriate use of gas tax money ñDiscusses the OEC's preference for maintenance over modernization (EXHIBIT E).
260	Hagerbaumer	<ul style="list-style-type: none"> • Long-term modernization options ñExplains that toll roads are the fairest way to charge for road use. • Funding the Oregon Transportation Network ñStresses the need for transportation options.
289	Rep. Krummel	Asks for clarification of her opinion that rural Oregonians subsidize the transportation needs of urbanites.

293	Hagerbaumer	Replies that the demand for new roads is tied to congestion, and this congestion normally occurs in urban areas. States that rural drivers are paying, often disproportionately, for these modernization needs.
304	Rep. Hill	Expresses interest in empirical data concerning the amount of revenue generated in urban and rural areas.
313	Chair Montgomery	Asks for the origin of the statistics concerning licenses and older drivers.
317	Hagerbaumer	States that Roger Martin may have provided this figure.
320	William Elliot	Chair, Oregon Seismic Safety Policy Commission. Supports using a portion of the gas tax money for the strengthening of bridges. Stresses the declining condition of the bridge system and the seismic risks to these bridges. Underlines the need to earmark funds to address the bridge problem. Supports HB 2082 (EXHIBIT F).
369	Rep. Lehman	Cites Behnke's testimony. Asks if the bridge deficiency refers to the current state of bridges or their ability to withstand any seismic activity.
375	Elliot	Cites an ODOT study of bridges following the Spring Break Quake and its findings. Explains the results of seismic activity on bridges.
400	Chair Montgomery	Asks if this study was funded through the safety portion of the budget.
407	Elliot	Expresses uncertainty.
TAPE 51, B		
002	Rep. Devlin	Asks if the committee should prioritize Multnomah County bridges crossing the Willamette River.
011	Elliot	Replies that ODOT should involve local communities. Notes that federal money is available for bridge repair.
040	Keith Leavitt	Port of Portland. Supports HB 2082. Stresses the importance of transportation to moving freight and trade. Discusses the port's attempt to study commodity flows and the importance of timely deliveries. Reviews the future strain on the transportation network (EXHIBIT G).
083	Rep. Hill	Asks if grass seed growers are transporting their goods by truck.
085	Leavitt	Expresses uncertainty.

088	Rep. Hill	Notes the importance of a transportation system that connects rural and urban areas. Asks if the number one export from Oregon, grass seed, is going out of Portland.
095	Leavitt	Replies yes.
096	Rep. Kropf	Notes that nursery stock is the primary export from Oregon.
109	Chair Montgomery	Asks for comments on the revenue distribution between cities, counties and the state.
111	Leavitt	Supports the current formula in HB 2082.
131	Steve Wildish	President, Oregon Concrete Aggregate Producers Association (OCAPA). Acknowledges the declining infrastructure. Explains OCAPA's involvement in transportation issues. Stresses the need for additional transportation funding and the rising costs of road construction. Supports HB 2082. Supports the accountability and reporting efficiencies in HB 2082. Supports ODOT, noting the importance of positive information about the agency.
193	Rep. Krummel	Asks about value engineering.
194	Wildish	Explains value engineering and its benefits.
204	Rep. Lehman	Asks if any aspects of current construction can be eliminated.
213	Wildish	Replies that one option, super-siting authority, is not popular.
223	Rep. Lehman	Notes that there are trade-offs involved in eliminating any practices that increase construction costs.
226	Rep. Wells	Refers to a report underlining ODOT's negative relationship with contractors. Asks for his opinion of his working relationship with ODOT.
238	Wildish	Answers that, overall, ODOT is a decent agency to work with. Notes the importance of personalities in business relationships.
265	Angstrom	Discusses the importance of an infrastructure to trucking maintenance costs. Describes the growth in urban areas, congestion and their effects on truck costs.
315	Angstrom	Emphasizes the broad support for HB 2082.
331	Rep. Kropf	Comments that the current funding package is structured to emphasize

		accountability, but does not outline methods to measure that accountability.
359	Angstrom	Responds that Rep. Lokan's cost accounting initiative is one step in that direction. Underscores the importance of accountability for all agencies.
395	Chair Montgomery	Cites HB 2082, Section 19 as addressing the accountability issue.
410	Brian Boe	Oregon Petroleum Marketers Association. Supports HB 2082. Introduces 3 amendments, which would prohibit the adoption of city and county gas taxes in Oregon (EXHIBIT H).
TAPE 52, B		
002	Boe	Reviews the results of county gas tax elections and relates his concerns about the role of local gas taxes on gasoline markets (EXHIBIT I).
019	Mike Sherlock	Oregon Gasoline Dealers Association. Supports HB 2082 and an increase up to six cents, as long as it is on a statewide basis. Relates the history of gas tax elections at local levels and the effects on the gasoline industry. Stresses that people are looking for a statewide solution.
046	Rep. Wells	Notes Oregon's high gas tax rating. Asks what affect this rating will have on competition and if it is time for Oregon to look at an excise tax.
055	Sherlock	Replies that a higher gas tax would be a detriment for people along the borders.
062	Boe	Supports a four-cent increase.
070	Rep. Lehman	Asks when the last time a local gas tax was imposed.
072	Boe	Replies that it might have been in Washington County some time ago.
078	Rep. Lehman	Questions the need for state action.
085	Boe	Responds that organizations are required to expend effort and resources to defeat these local increases.
088	Sherlock	Adds that they support a statewide increase to take pressure off local governments.
103	Rep. Krummel	Asks about local jurisdictions that have passed road-use fees.

113	Boe	Answers that they have examined these options, but do not have a specific position on these types of proposals.
123	Sherlock	Replies that his organization also investigates these options.
126	Rep. Taylor	Notes the variance of gasoline prices in her district and inquires if other factors, besides the gas tax, are involved in price variations.
147	Sherlock	Explains the factors involved in gasoline prices, including real estate prices.
157	Boe	States that the gasoline industry can be competitive in a microcosmic way.
172	Roger Martin	Executive Director, Oregon Transit Association. Supports HB 2082. Reviews his experience with transportation funding. Stresses that a better method of road financing, one that keeps up with technological innovation, is needed. Notes that most Oregonians will probably not notice a three-cent increase given the fluctuations in prices.
230	Martin	Emphasizes that ODOT is a competent, efficient agency. Emphasizes the importance of educating the public on this point.
262	Rep. Devlin	Agrees with Martin on his long-term proposal. Asks if Oregon should diversify its resources.
276	Martin	Replies yes. Agrees that Oregon is far too dependent on a single source of income.
310	Suzie Jordan	Legislative Fiscal Office. Explains the financial effects of the six-cent gas tax increase, focusing on the timing of the increases and the revenue distribution (EXHIBIT J).
368	Rep. Hill	Asks if Jordan has calculated the effect of a one-cent increase.
371	Jordan	Replies no.
373	Rep. Kropf	Cites pp. 3 of EXHIBIT J . Asks for an explanation of transfer costs.
392	Jordan	Refers to the statutory requirements allowing those agencies to deduct the amount of fuel they use.
412	Rep. Kropf	Asks Jordan if she calculated an increase in gallons per year.
421	Jordan	Replies that she did not allow for an adjustment in order to simplify her

		approach.
429	Adkins	Asks if EXHIBIT J shows the projected revenue increases.
439	Jordan	Replies yes. Explains the aspects of the four-cent proposal.
465	Rep. Wells	Notes that a one-cent increase equals \$25 million per year.
477	Chair Montgomery	Adjourns the meeting at 10:00 a.m.

Submitted By, Reviewed By,

Brad Daniels, Janet Adkins,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñHB 2082, written testimony, Max Brittingham, 12 pp.

B ñHB 2082, written testimony, Craig Campbell, 3 pp.

C ñHB 2082, written testimony, James Osterman, 4 pp.

D ñHB 2082, written testimony, Robert Behnke, 3 pp.

E ñHB 2082, written testimony, Chris Hagerbaumer, 2 pp.

F ñHB 2082, written testimony, William Elliot, 3 pp.

G ñHB 2082, written testimony, Keith Leavitt, 2 pp.

H ñHB 2082, -3 amendments, Brian Boe, 1 p.

I ñHB 2082, written testimony, Brian Boe, 1 p.

J ñHB 2082, tax spreadsheet, Suzie Jordan, 3 pp.