

SENATE COMMITTEE ON TRANSPORTATION

February 1, 1999 Hearing Room C

3:05 p.m. Tapes 14 - 15

MEMBERS PRESENT: Sen. Marylin Shannon, Chair

Sen. Mae Yih, Vice-Chair

Sen. Susan Castillo

Sen. Joan Dukes

Sen. Ted Ferrioli

MEMBERS EXCUSED: Sen. Gary George

Sen. Lenn Hannon

STAFF PRESENT: Don Scott, Administrator

Valerie Luhr, Administrative Support

MEASURE/ISSUES HEARD: SB 353 Public Hearing

SB 2358 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 14, A		
005	Chair Shannon	Calls the meeting order at 3:18 p.m. as subcommittee. Clarifies the group she appointed on Friday, January 29, to review issues revolving around local improvement districts (LID) is a work group, not a subcommittee.
030	Sen. Castillo	Comments on the agenda, which she has distributed to members, for the Friday meeting in Portland with Washington State legislators. Believes there will be good representation from both states to discuss rail issues.

036	Chair Shannon	Announces Sen. Ferrioli's arrival (3:19 p.m.) and there is a quorum. Opens a public hearing on HB 2358.
<u>HB 2358 PUBLIC HEARING</u>		
043	Rep. Carl Wilson	House District 49, states he has sponsored HB 2358 at the request of Josephine County Commissioners. Explains the reason for the bill has much to do with the accessibility and use of Grants Pass's municipal airport. States the bill is neither an overt nor covert plan to card-lock gasoline for automobiles. States the airport is becoming more important to Grants Pass and Cave Junction due to the dwindling resource economy in the area. HB 2358 would make the airport more usable to the general aviation public and more people will be drawn into the community. Believes other rural communities throughout Oregon will also be helped by the passage of HB 2358.
054		(Sen. Yih arrives at 3:22 p.m.)
069	Chair Shannon	States she has received a suggestion to remove "aviation" from the card-lock provision.
073	Rep. Wilson	Requests clarification of what the amendment would do.
074	Chair Shannon	States she has not seen the law.
077	Sen. Dukes	Expresses concern about opening up the debate in the Senate about card-lock systems. Does not believe many airports would use card-locks because of the costs and fees.
084	Don Scott	Committee Administrator, asks what kinds of users would be able to fuel up at the airport. Assumes a transitory user would not stop in Grants Pass for fuel, but the bill would facilitate regular users of the airport. Asks Rep. Wilson to address how he sees the bill changing operations at the airport and the viability of the airport.
094	Rep. Wilson	Believes the plan would be perfected as more people bought into the card-lock system. Those not part of the card-lock system would be unable to use the service. Usage would begin with local pilots, spread to Oregon pilots, and gradually to West Coast pilots.
102	Sen. Ferrioli	Comments on the issue of hobby pilots' ability to find a fixed base operator (FBO) who is available twenty-four hours per day. Comments on making airports more user-friendly, such as being retrofitted with navigational devices. Believes there are good reasons to have a card-lock system. A mechanism should be made available whereby a fixed based operator would not need 24-hour-a-day attendant services or either eliminate airports from the card-lock restrictions or bring folks under the card-lock system whereby they would take training and be certified. Would like to see a proposal like HB 2358 move forward because it would increase utility of smaller airports.

129	Chair Shannon	Asks Sen. Ferrioli if he would support HB 2358.
130	Sen. Ferrioli	States he would or Chair Shannon's suggestion to remove airports from the card-lock restrictions. States there are very strong opinions about the issue. Does not believe this is in the same category as retail versus card-lock stations for motorists.
140	Chair Shannon	States she will check with Sen. Ferrioli and the sponsor if an amendment to HB 2358 is drawn up. Clarifies the committee will not hold a work session today.
144	Sen. Ferrioli	States he will withdraw his bill if this bill moves forward.
149	Chair Shannon	Invites Rep. Wilson to remain for more testimony.
151	Vice Chair Yih	Asks if the State Fire Marshal will testify.
153	Chair Shannon	Asks Rep. Wilson if the State Fire Marshal testified before the House Transportation Committee.
155	Rep. Wilson	States he does not recall because he was not there for the entire hearing.
156	Chair Shannon	States she has not received a letter from the State Fire Marshal and asks Rep. Wilson if he received a letter.
157	Rep. Wilson	States he has not seen a letter.
158	Chair Shannon	Asks Ann Crook if she has communicated with the State Fire Marshal about HB 2358.
162	Ann Crook	Interim Manager, Aeronautics Division, ODOT, states she has communicated with the State Fire Marshal. Submits and presents testimony [EXHIBIT A] in support of HB 2358. Reviews current provisions for card-lock fueling at airports. States only one airport is operating under the current card-lock requirements, and Oregon's airports are at a competitive disadvantage due to the current restrictions. Airports in California and Washington allow card-lock fueling. States she has met with the State Fire Marshal to discuss issues revolving around how a card-lock system could work for the state's aviation users and still meet requirements of the bill. The State Fire Marshal's office needs a licensee to hold the records of card-lock system locations. Believes the Oregon Pilots Association is willing to be the central clearinghouse.
212	Crook	Comments on the issue of some airport business operators being at a competitive disadvantage if card-lock facilities are installed at airports.
229	Carol Washburn	Compliance Service Manager, Card-lock Unit, Office of State Fire Marshal,

		submits and presents testimony [EXHIBIT B] in a neutral position on HB 2358. Reviews current statutory provisions for the State Fire Marshal. Reviews the effects of HB 2358 on the State Fire Marshal. States the agency has projected a fiscal impact of three FTE if HB 2358 passes.
278	Sen. Ferrioli	States the solution is an intent to make things more convenient but is concerned by the additional FTE requirement. Asks Washburn for the number of inspections and citations issued, and the cost of the program for the last biennium. Understands a half million dollars was spent for audits and thirteen citations were issued in the last biennium.
292	Washburn	States she will provide the information.
296	Sen. Dukes	Clarifies card-locks for planes fall under the same criteria as card-locks for automobiles.
299	Washburn	States that is correct.
300	Sen. Dukes	Asks if aviation gas is a different than automobile gas.
301	Washburn	States aviation gas is a Class 1 flammable liquid.
306	Sen. Dukes	Expresses concern about the availability of fuel.
312	Washburn	States, in order to be a licensed conditional use card-lock facility, one must be seven miles from the nearest retail station that has Class 1 flammable liquid. States HB 2358 would eliminate the seven-mile requirement and waive the conditional use hearing.
330	Sen. Dukes	States it is the legislature's fault when they did card-lock for autos they did not consider aircraft.
334	Chair Shannon	Asks if the State Fire Marshal's recommendations would still apply if aviation gas airports were exempt from the card-lock requirements.
338	Washburn	States they would not be required to enforce the regulations.
340	Chair Shannon	Clarifies three additional FTE would not be needed.
341	Washburn	States the State Fire Marshal is concerned about safety issues.
345	Chair Shannon	States the fiscal analysis indicates 15 airports would apply for permits and existing staff could handle the additional workload.

349	Washburn	States that is correct. Additional FTE would be needed if all potential sites applied for a license.
360	Vice Chair Yih	Asks why the fiscal analysis indicates 15 of 53 airports would apply for a conditional use permit.
364	Washburn	States, per ODOT, there are 53 facilities with available fuel and 15 of those facilities might apply for the card-lock program; and several of the facilities with available gas will not participate.
374	Vice Chair Yih	Asks if the existing facilities would want to apply so they would not need staff in the evenings.
380	Washburn	States Vice Chair Yih is correct. States if the 53 airports did not apply for a card-lock license but were licensed for conditional use, they would be required to issue a written agreement and provide safety training.
387	Vice Chair Yih	Repeats her questions.
393	Washburn	States it would cut down on an airport's staffing needs. The request for staffing is at the State Fire Marshal Office to enable them to do the audit and fire safety inspections.
399	Sen. Castillo	States based on the fiscal statement and Washburn's comments it is unlikely the State Fire Marshal would need additional FTE.
402	Washburn	States that is correct.
411	Chair Shannon	Asks if the aviation gas card-locks were eliminated from the law, would there be a safety issue.
417	Washburn	States there is a potential safety issue with Class 1 flammable liquid.
TAPE 15, A		
008	Sen. Ferrioli	States it is incumbent on the committee to know about the training pertaining to card-locks. States a person is required to read and sign a flyer. Believes pilots are careful about maintenance and safety.
012	Chair Shannon	States her understanding of the training and that it is not expensive.
015	Sen. Ferrioli	States the training is neither extensive nor expensive.

018	Betsy Johnson	Oregon Pilots Association, states the association supports HB 2358. Clarifies many of the 400-plus airports in Oregon are privately owned, private use airports. Believes the possibility of their applying for card-lock gas is remote, at best. States the Oregon Aviation Alliance has endorsed the card-lock concept and she is authorized to speak on their behalf.
029	Chair Shannon	Ask if the alliance would have a preference on how the committee acts on the bill or if they draft an amendment to take aviation gas out of card-lock all together.
032	Johnson	States the alliance will be engaged participants in the rule writing.
033	Chuck Bennett	Transwestern Aviation, agrees with Johnson's comments and his organization supports HB 2358.
037	Vice Chair Yih	Asks Johnson for her comments on Crook's testimony that an airport owner would not like a card-lock system in the airport, as that will create competition.
040	Johnson	States the situation can be taken care of through Minimum Standards for Airports. Explains each airport receiving federal money follows the minimum standards for how operations occur at the airport. Discusses the debate at the Oregon Airport Manager Association meeting recently held in Medford. The question was whether someone else installing a card-lock system could financially challenge an airport that currently has a business selling fuel. Minimum standards should be in place that do not damage the FBO's business.
059	Vice Chair Yih	Asks if the card-lock installer needs to provide amenities.
062	Johnson	States it depends on what minimum standards are specified. States the standards vary slightly from airport to airport. Explains the Federal Aviation Administration (FAA) sets the basic framework for minimum standards. The FAA is concerned there not be competitive disadvantages at an airport receiving federal funds.
070	Vice Chair Yih	States it might be advantageous for an owner to adopt a card-lock system for evenings and weekends to enable cutting down on staff and still provide a convenience to customers.
075	Johnson	States that is the philosophy behind HB 2358.
077	Chair Shannon	Closes the public hearing on HB 2358. States the committee will hold a work session at the next meeting.
084	Vice Chair Yih	Asks if the committee will receive a revised fiscal impact statement.
085	Chair Shannon	States the State Fire Marshal is revising their testimony because they will not need the three FTE and there will not be a revised fiscal statement. Chair

		Shannon discusses the FTE requirement with Vice Chair Yih. Reopens the public hearing on HB 2358.
095	Chair Shannon	Clarifies the State Fire Marshal would need three FTE if all of the airports installed card-lock systems.
098	Washburn	States that is correct. States the agency understands it is unlikely all the airports will apply for a card-lock license.
103	Sen. Dukes	States she does not know how many airports in Oregon have enough traffic at night to withstand the \$20,000 installation fee and the \$250 annual fee.
109	Chair Shannon	States, in realistic terms, a maximum of 15 airports will apply.
110	Crook	States her agreement with Chair Shannon. Explains how she arrived at 15 possible airports applying for a card-lock permit.
118	Chair Shannon	Clarifies three FTE would not be necessary with only 15 airports.
119	Washburn	States that is correct.
120	Vice Chair Yih	Reiterates her question about the fiscal impact statement.
122	Washburn	Comments the State Fire Marshal has not come up with new figures. Explains there are currently five people in the Cardlock Unit.
130	Sen. Ferrioli	Wants to know when he will receive a response to his request for information.
135	Washburn	States she will provide the information within the next few days.
137	Chair Shannon	Closes the public hearing on HB 2358. Asks Sen. Ferrioli if he wants information before the Wednesday work session on HB 2358.
141	Sen. Ferrioli	States he would. Believes there are other proposals like HB 2358 and wonders if the configurations the committee needs to look at involve letting the airports out from under the bill altogether or just HB 2358. States it is Chair Shannon's decision.
146	Chair Shannon	States she will make the decision between now and Wednesday. Opens the public hearing on SB 353.
<u>SB 353 PUBLIC HEARING</u>		

149	Don Scott	Committee Administrator, reviews provisions of SB 353.
166	Kelly Taylor	Oregon Department of Transportation (ODOT), explains Jan Curry, manager of Driver and Motor Vehicle Services (DMV), requested DMV employees submit their ideas for improvements, such as saving time and money and improving customer service. Over one hundred ideas were submitted and the top 30 ideas were put into eight bills. SB 353 is one of those bills under the proposal for less government and to save money. Submits and presents testimony [EXHIBIT C] in support of SB 353. Discusses the current provisions for vehicle titling and registration.
216	Taylor	Discusses provisions that would be repealed if SB 353 passes. Comments on the reduction in effectiveness of reminder letters. Requests the committee consider eliminating the requirement to send reminder letters and enable the agency to better use its resources for other projects to benefit more citizens.
249	Chair Shannon	Asks when the current law was passed.
250	Taylor	States in the 1995 Session and the bill had an effective date of July 1, 1997.
251	Chair Shannon	Asks if the agency implemented bill.
252	Taylor	States the agency implemented the part to notify sellers of their responsibilities. States they have not implemented the mailing of reminder letters to buyers.
264	Chair Shannon	States the agency chose not to send the letters.
265	Taylor	States the agency has not had a chance to implement the provision.
267	Sen. Dukes	Believes there are some people who do not read the back of the vehicle title document. They innocently miss notifying DMV because they are not aware of the deadline. Comments on consequences of improperly titled documents. Believes DMV can receive better compliance by sending reminder letters. Expresses dismay at the \$97,920 cost for systems programming. Believes the intent of the 1995 legislation was to correct a bad situation.
301	Chair Shannon	States another member shares Sen. Dukes' concern. Asks who brought the 1995 legislation forward.
306	Taylor	States it was an interim bill on behalf of the tow truck association. Believes there are some people who would change the vehicle titles and the agency agrees that is preferable. States she does not believe the results will justify the cost of the reminder letters.
319	Sen. Dukes	States the \$50 penalty should not be mentioned in the reminder.

320	Taylor	Explains the penalty is explained on the front of the title document.
324	Chair Shannon	Asks if there is a penalty if the person is only a few days past the 30-day requirement.
325	Taylor	States the penalty is statutorily required.
330	Al Elkins	Oregon Tow Truck Association, states the association shares the committee's frustrations. States when the towers introduced the 1995 legislation, they were not receiving a lot of information about previous vehicle owners. When an individual received notification their car had been towed, the person would respond the vehicle had been sold. States DMV had the Flag 11 system, which told the towers a vehicle had been sold, but not to whom it was sold. States the association board met with the ODOT director last year to hear about the system ODOT had implemented and found out there might not be money available to hire the FTE. ODOT would implement the other part of the system to record data in a retrieval system the towers could use. The Tow Truck Association is now electronically receiving information they need through DMV's Flag System 49.
380	Elkins	States the association supports the concept of hiring someone to send out letters, but does not know if the desired results will be achieved.
396	Chair Shannon	Referencing fees, states there is a \$10 fee for a late title and for the first 31 days a title is late the fee is \$25 plus the \$10. After 60 days, the fee increases to \$50.
403	Taylor	States Chair Shannon is correct. The legislation requires DMV to send a letter after 60 days has elapsed, so the individual would have incurred the \$50.
405	Chair Shannon	States she stands corrected. Asks if the payment would cover the extra FTE.
415	Taylor	States she does not think so. Reviews the manual process to generate a reminder letter, and believes there would be a need for additional FTE. To automate the process would be very expensive.
447	Chair Shannon	Asks Elkins if the Tow Truck Association supports the bill.
448	Elkins	States the association supports the bill. The system is providing them with more information than they have ever had before.
455	Chair Shannon	Adjourns the meeting at 4:12 p.m.
		Staff submits a letter from AOPA (Aircraft Owners and Pilots Association) Legislative Action in support of HB 2358 [EXHIBIT D] .

Valerie Luhr, Don Scott,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2358, written testimony, Ann Crook, 2 pp.

B ñ HB 2358, written testimony, Carol Washburn, 2 pp.

C ñ SB 353, written testimony, Kelly Taylor, 2 pp.

D ñ HB 2358, written information, staff, 1 p.