

HOUSE COMMITTEE ON TRANSPORTATION

January 27, 1997 Hearing Room D

8:30 AM Tapes 6 - 7

MEMBERS PRESENT:

Rep. Bob Montgomery, Chair

Rep. Mike Lehman, Vice-Chair

Rep. Tim Josi

Rep. Jane Lokan

Rep. Bill Markham

Rep. Lonnie Roberts

Rep. Larry Wells

MEMBER EXCUSED:

STAFF PRESENT:

Janet Adkins, Policy Analyst

Debi Parker, Administrative Support

MEASURE/ISSUES HEARD:

HCR 1 Public Hearing & Work Session

HB 2097 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 6, A		
001	Chair Bob Montgomery	Meeting called to order 8:32 am.
<u>HCR 1</u> <u>PUBLIC</u> <u>HEARING</u>		
		State Senator, District 4. Gives overview and summary of reasons why

023	Senator . Thompson	HCR 1 is so important to this state. States importance of dredging for safety.
066	Senator Tarno	State Senator, District 24. Gives background by stating that this measure was prompted because of a congressional bill drafted in Washington, D.C. that proposed to eliminate funding to those shallow ports and those ports who do not have a commercial interest. The bill states that fishing either commercial or recreationally, did not have a common or a commercial interest, therefore, those ports would be eliminated from funding for dredging. (EXHIBIT A) Witness supports HCR 1.
088	Sen. Tarno	Continues support of HCR 1.
098	Rep. Lehman	Asks question regarding the funding issue.
100	Sen. Tarno	Answers question by commenting that 13 ports that are deemed deep ports. Said the funding process by President Bush was to charge a fee to vessels for export and import, fees used for maintenance. The biggest cost dredging. Dredging was unnecessary according to study. US Supreme Court now examining this.
114	Rep. Lehman	Asks if this is in response to the federal government funding mechanism.
130	Sen. Tarno	Answers question.
147	Rep. Wells	Asks funding issue question. In looking at the conclusion in (EXHIBIT A) , what can we do to take care of our dredging if the federal government backs out of this? .
153	Rep. Tarno	States that we have three or four years to solve problem. The current maintenance fund is in place 3 or 4 years yet. The fund is reserved for state use. That is why we brought this resolution to this committee.
173	Rep. Messerle	State Representative, District 48, comments that if he has listened very close to this issue, landowners, support this resolution, but for the economy. In the Port of Oxford, the fishing industry is a big part of their life. Witness supports HCR 1.
206	Rep. Josi	Comments that is very important regarding the economy. On this committee they traveled the Oregon Coast and visit the ports. He agreed dredging is important. The ports are the cornerstone of those communities is those ports.
209	Chair Montgomery	Comments regarding the Hood River and the Columbia Barge
226	Sen. Thompson	Comments on spearheading, the loss of ship repair facilities., no fish or cargo that go into need ship repair. This rivers play an important role in fishing, maritime business. Alaska's vessels come here for repair. The money maintains Oregonians.
244	Rep. Lehman	Asks Senator Thompson, that would be particularly true of the case of Siuslaw River where there is no fishing in the bar.
250	Sen. Thompson	Answers question that that bar closes up rapidly because it is not dredged frequently enough, approximately every two or three years.

		The Tillamook is the same.
253	Rep Lokan	Question that recently this past year the Oregonian about the big ships up the Columbia, would this accommodate this.
262	Sen. Thompson	Answers this river would require a different kind of dredging.
286	Keith Leavitt	Ports Division Manager, Oregon Economic Development testifies in support of HCR 1.
318	Alan Willis	Port of Portland, (EXHIBIT B) speaks specifically with regard to the Columbia in support of HCR 1.
440	Willis	Continued testimony.
TAPE 7,A		
001	Ken Armstong	Executive Director of the Oregon Public Port Association. Gives testimony on background of HCR 1, share shallow ports 22 of 23 Ports. Those coastal ports are very nervous, this bill is a very important first step towards resolving this issue. Promote tourism, commercial fishing, without dredging, deep concern. States his support of HCR 1.
029	Chair	Compliments the staff on a good report. Summarizes by stating that the Port of Portland is going to need \$20 million, and they were going to get \$5 million for the biennium.
039	Rep. Wells	It seems like a good opportunity to look at the whole issue. The federal government spent \$13 million dollars spent here in Oregon over the last eight years. We are looking at \$13 - \$20 million dollars to deepen the Colombia.?
045	Willis	The state share is \$17.5 million shared by Washington, 65% federal government.
059	Jim Townley	Executive Director of the Columbia River Steamship Operators. States he supports HCR 1- Additional information with respect to his organization. The the 52 membership is comprised of many members, and that they generate \$75-100 ,000 in revenue for every ship that calls the ports home. Approximately a quarter of a million dollars in revenue each year is generated.. Additionally, the the jobs that are generated because of maritime is 45,000. Emphasizes the environmental and ecological issues regarding this resolution. Witness supports HCR 1.
125	Chair	Closes public hearing.
<u>HCR 1</u> <u>WORK</u> <u>SESSION</u>		
137	Rep. MARKHAM:	MOTION: Moves HCR 1 be sent to the floor with a BE ADOPTED recommendation.
		VOTE: 8-0
		Hearing no objection, declares the motion CARRIED.

	Chair	REP. MARKHAM will lead the discussion on the floor. Chair closes work session on HCR 1 and opens public hearing on H.B. 2097
<u>HB 2097</u> <u>PUBLIC</u> <u>HEARING</u>		
155	Ben Wallace	Chief Financial Officer for the Department of Transportation, Testimony in support of HB 2097 (EXHIBIT C)
187	Wallace	Continues testimony on (EXHIBIT C)
249	Rep. Josi	Question regarding what projects private developers might tackle.
260	Wallace	Answers the question.
328	Chair Montgomery	"In number 8 it says, ` in the Port of Portland we have 22 other ports' and I was just wondering why the Port of Portland is mentioned specifically and not the other 22 mentioned by name?"
338	Wallace	States it is for example only, for illustration purposes only.
345	Chair Montgomery	"On Page 2, line 22 it says, `pay the department cost of administering.' what percent do you anticipate using for expenditures. How much will ODOT be spending?"
365	Wallace	At present showing no direct cost, not sure if program will be successful. Currently, managing with Maur Horton and himself alone.
370	Chair Montgomery	"If we get into the body of this could we put a `not to exceed' amount so much percentage of the fund for cost factor, so it wouldn't be a carte blanche spending all that money on administrative costs?"
380	Wallace	States that it would not be inappropriate at all.
400	Chair Montgomery	"On page 2, line 39 it says, `the Oregon Transportation Commission shall adopt the rules.' What would the legislative oversight to spending 200 million dollars? Should there be some legislative involvement before we start giving them a carte blanche for 200 million dollars or is that envisioned at all?"
420	Wallace	The bond limit cap is set each year "A" control. Currently \$100 million in current bond control besides that the reliance would be on the skills and integrity of the Transportation Commission. The Commission has requested informal rule that they approve all projects not relying only on departmental staff.
TAPE 6, B		
002	Chair Montgomery	"On recouping the funds, if we loan the Port of Portland as example only, and were going to recoup it from funds from the state. What funds does the Port of Portland receive from the state that we could recoup the money from? Do the state give Ports money that could be obtained?"
014	Wallace	No specific answer.

018	Chair Montgomery	"Don't we have other programs , existing state agencies that do similar things. It seems to me that there's a bonding program over in Economic Development that does a little bit of loaning for sewer, water, roads, etc.?"
021	Wallace	States that the Chair is correct, Housing, Dept. of Energy, Veterans, OEDT, all have bond programs of this nature. However, each of them has a specific focus. They did look at the option but believe that the factors that come to bear on the decision whether a infrastructure should be built and financed are very much different from any other the others. As a result it didn't seem beneficial to interject this into any of the other programs.
030	Rep. Markham	Asks question in bonding doesn't the public need to approve it?
034	Maur Horton	ODOT, Transportation Bank Officer, answers yes.
037	Rep. Markham	Then the money must be spent on highway and transportation only? questions the report.
040	Horton	State gas tax money only, we could issue a bond for any mode, the funds would have to be available to repay
060	Chair Montgomery	Excuses guest.
061'	Chair Montgomery	Invites any other testimony
144	Chair Montgomery	Asks Janet Adkins for an other items.
157	Janet Adkins	Committee Administrator, note enclosed letter of support from the Oregon State Treasury, Charles Smith, Director of the Debt Management Division.(EXHIBIT D).
158	Chair Montgomery	Adjourned 9:42 am

Submitted By, Reviewed By,

Debi Parker, Janet Adkins,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A -HB 2097 House Interim Task Force On Dredging Final Report Rep. Veral Tarno, 6pp

B -HB 2097 Dredging and Oregon's Niche in International Markets, Allen Willis, 12pp

C -HB 2097 Memo from Benjamin P. Wallace, Chief Financial Officer, Oregon Department of Transportation, Benjamin Wallace, 2 pp.

D -HB 2097 Written testimony from Charles R. Smith, staff, 1 pp