

SENATE COMMITTEE ON TRANSPORTATION

February 21, 1997 Hearing Room C

1:15 P.M. Tapes 20 - 21

**MEMBERS PRESENT:**

Sen. Marylin Shannon, Chair

Sen. Ken Baker, Vice-Chair

Sen. Joan Dukes

Sen. Gary George

**MEMBER EXCUSED: Sen. Mae Yih**

**STAFF PRESENT:**

Lin Ludwick, Administrator

Nora Carlson, Administrative Support

**MEASURE/ISSUES HEARD:**

**SB 438 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 20, A</b>		
001	Chair Shannon	Calls meeting to order at 1:20 p.m., opens public hearing on SB 438.
<b><u>SB 438 PUBLIC HEARING</u></b>		
024	Lin Ludwick	Administrator, reviews provisions of the bill.
027	Rep. Bill Markham	District 46, presents testimony in support of SB 438 and identifies other co-sponsors of the bill.
058	Chair Shannon	Asks if the other named co-sponsors currently hold a pilot's license.
060	Rep. Markham	Confirms that they each have a current pilot's license.
100	Rep. Markham	Continues with testimony on fees.

108	Sen. Baker	Asks where the Aeronautics Department is currently located within the organization structure and where the bill will put the department.
110	Ludwick	Explains that they are currently under the Oregon Department of Transportation (ODOT) and the bill would put them under the Oregon Transportation Commission.
112	Sen. Baker	Observes that the department would still fall under ODOT, then asks what is the purpose of the bill.
115	Rep. Markham	Suggest that bill be amended to separate aeronautics from ODOT.
142	Chair Shannon	Asks if Rep. Markham is willing to work with the committee on drafting amendments to SB 438.
145	Rep. Markham	Agrees to work with the committee on drafting amendments.
148	Sen. George	Question regarding state-owned aircraft.
165	Evan Boone	Aeronautics Advisory Committee, submits and presents testimony in support of SB 438 ( <b>EXHIBIT A</b> ).
216	Boone	Continues with testimony on restricted communication.
234	Chair Shannon	Question whether the team-building budget comes out of the budget allotted to the aviation department or whether ODOT pays for it.
290	Sen. Baker	Asks if Mr. Boone can provide the committee with a current budget and a projected budget if the department becomes an independent agency.
295	Boone	Agrees to provide the committee with their request.
301	Chair Shannon	Asks Mr. Boone if he would support Rep. Markham's proposed amendments.
304	Boone	Supports amendments, and explains that whether the department stays within ODOT or becomes a separate agency, there still has to be communication and joint participation.
341	Sen. Dukes	Question regarding the department's allotted budget.
380	Sen. Baker	Asks for clarification on the request for moving aeronautics as a section of ODOT but retaining it as a department under the Oregon Transportation Commission.
394	Boone	Clarifies that the transfer would have two departments reporting to the Commission.
400	Sen. Baker	Questions the purpose of the transfer.
<b>TAPE 21, A</b>		
011	Sen. Baker	Comments that the department's request would get them away from the personnel hiring practices and contracting requirements.
		Comments on a similar legislation where the Board of Maritime

018	Sen. Dukes	Pilots were brought in under ODOT to allow them access to administrative services.
089	Boone	Continues with testimony on Section 79 of the bill.
104	Bill Griffith	State Aviation Advisory Committee, presents testimony in support of SB 438.
120	Sen. Baker	Question whether the department has ever been audited to determine if the agency could be a stand-alone agency.
131	Sen. Baker	Asks if the agency could be privatized and asks to define the government's role in the agency.
135	Boone	Responds that there does have to be integration between agencies but questions whether a private agency could have the same authority to work with local governments.
154	Chuck Bennett	Lobbyist, Oregon Aviation Coalition, submits and presents testimony in support of SB 438 ( <b>EXHIBIT B</b> ).
220	Bennett	Continues with testimony on the report from the National Association of State Aviation Officials (NASAO) included in the handout.
290	Bennett	Continues with testimony on the NASAO report.
308	Sen. Baker	Question whether ODOT has the statutory ability to elevate aeronautics to another division within ODOT.
345	Sen. Baker	Suggests that a good debate would be whether the department should stay within ODOT or be a stand-alone agency.
400	Bennett	Continues with testimony on current management programs underway by ODOT which takes up a large percentage of management's time.
<b>TAPE 20, B</b>		
012	Sen. Dukes	Comments on the positives of multi-model systems and the possible downside to transferring the aviation department.
046	Sen. George	Asks if there would be any cost savings in the transfer.
050	Bennett	Responds that when funds do become available, they could parlay through federal matching funds.
113	Sen. Dukes	Asks Mr. Bennett if he knew whether the agency submitted a request for aviation gas fuel increase.
113	Betsy Johnson	Aeronautics Department Manager, ODOT, confirms that the agency has not.
135	Sen. Baker	Question regarding the department's other funding sources.
157	Sen. George	Cites an example wherein his plane encountered a pothole while landing and comments on how this could come into focus when leveraging for dollars.
193	Sen. Yih	Asks about cost savings if the department is transferred.
198	Bennett	Describes administrative charges.

208	Sen. Yih	Asks if the department would encounter similar overhead costs if they were transferred.
226	Bennett	Explains that services could be purchased directly at a lower cost.
246	Sen. Yih	Asks if there is a proposed budget if the section is moved.
257	Bennett	Explains that ODOT and Legislative Fiscal are currently working on budget costs and that the bill also has a subsequent referral to the Ways & Means Committee.
262	Sen. Yih	Comments on the rapid growth rate every time a division becomes a department.
281	Sen. Baker	Asks for clarification that if the agency's mission is to improve customer service then budget growth would mean increased customer service.
289	Bennett	Agrees.
294	Mike Van Hoomissen	President, Oregon Aviation Alliance, presents testimony in support of SB 438 and further describes cost breakdown of assessment fees.
350	Van Hoomissen	Continues with description of assessment fees.
400	Sen. Dukes	Asks Mr. Van Hoomissen if he could provide the committee with a copy of his account.
402	Van Hoomissen	Submits 1995-97 and 1997-99 ODOT Central Administration Assessment charges ( <b>EXHIBIT C</b> ).
<b>TAPE 21, B</b>		
024	Harry Bladow	Pilot, submits and presents testimony in support of SB 438 ( <b>EXHIBIT D</b> ).
080	Bladow	Continues with testimony on SB 438, issues discussed:  * aviation safety issues  * aviation priorities  * cost impact
111	Sen. Baker	Refers to Exhibit C and estimates that the aviation department is currently being assessed at 33% percent.
115	Bladow	Agrees that it is a huge burden on the agency.
117	Chair Shannon	Comments on child care assessment charges.
121	Sen. Dukes	Refers to Exhibit C and asks why the aeronautics section is helping to pay the salary of the state highway engineer and asks ODOT agency personnel to please note question.
130	Andy Anderson	Oregon Flying Farmers, submits and presents testimony in support of SB 438 ( <b>EXHIBIT E</b> ).
190	Chair	Adjourns meeting at 2:58 p.m.

Submitted By, Reviewed By,

Nora Carlson, Lin Ludwick,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - SB 438, testimony, Evan Boone, 3 pp**

**B - SB 438, testimony and written material, Chuck Bennett, 65 pp**

**C - SB 438, written material, Mike Van Hoomissen 2 pp**

**D - SB 438, testimony, Harry Bladow, 2 pp**

**E - SB 438, testimony, Andy Anderson, 2 pp**

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