

SENATE COMMITTEE ON
RULES AND ELECTIONS

Hearing Room
Tapes - 62

MEMBERS PRESENT:

Sen. Randy Miller, Chair
Sen. Paul Phillips, Vice-Chair
Sen. Dick Springer

MEMBERS EXCUSED:

Sen. Brady Adams
Sen. Shirley Gold

STAFF PRESENT:

Kristina McNitt, Committee Administrator
Sarah A. Myers, Committee Assistant

MEASURES HEARD:

Introduction of Committee Bills
SB 446: Public Hearing
SB 927: Public Hearing

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

010 VICE CHAIR PHILLIPS: Calls the meeting to order at 9:03 A.M.

020 Opens PUBLIC HEARING on SB 446.

Witnesses:

Triple A of Oregon: Dell Ishem
Oregon Farm Bureau: Don Schellenberg
Oregon Gasoline Dealers Association: Mike Scherlock, Executive Director
Mike Sims
Paralyzed Veterans of America/Oregon Disabilities Commission: Eugene Orgon
State Fire Marshal's Office: Carol Washburn
Senator Bill Dwyer
Jim Ballentini
Dale Brown

022 DALE BROWN: Testifies in opposition to SB 446. Presents written testimony {EXHIBITS A & B}.

072 BROWN: continues testimony.

-Discusses hardship placed on seniors, the disabled and mothers with children encountered when pumping gasoline

123 VICE CHAIR PHILLIPS: Stresses the need for succinct testimony in lieu of the 10 A.M. Senate session scheduled.

139 EUGENE ORGON, EXECUTIVE DIRECTOR, OREGON DISABILITIES COMMISSION, PARALYZED VETERANS of AMERICA: Testifies in opposition to SB 446 and SB 927. Presents written testimony [EXHIBIT C].

170 MIKE SIMS, OREGON GASOLINE DEALERS ASSOCIATION: testifies in support of SB 446. Describes the bill and proposes (-2) amendments [EXHIBIT D].
-Amendments allow civil penalties to be assessed by the State Fire Marshal's office.

182 MIKE SHERLOCK, EXECUTIVE DIRECTOR, OREGON GASOLINE DEALERS ASSOC.: Testifies in support of SB 446.
-The intent of this bill is not to require consumers to pump their own gas but to allow those who choose to pump their own gas that option.

199 VICE CHAIR PHILLIPS: Discusses the proposed amendments to be introduced by Chair Miller, which address the impacts on senior citizens.

205 CAROL WASHBURN, PROGRAM COORDINATOR for the CARD LOCK PROGRAM, STATE of OREGON FIRE MARSHAL'S OFFICE: Presents a position of neutrality by the Fire Marshal's office and addresses some concerns with specific sections of SB 446.

-Discusses the bill section by section
-Compares issues with current codes and regulations.
-Urges the committee to consider a funding mechanism should the passage of the bill occur to implement the mandates of the bill; any standards proposed be referred to the Uniform Fire Code, provide for a safety training class for the dispensing of flammable liquids and that the penalty remain a civil one not a criminal one.

253 VICE CHAIR PHILLIPS: These penalties suggested one year in prison and a \$5,000 dollar fine or both, this is incredible. Are these penalties consistent with anything else within your jurisdiction?

260 WASHBURN: Presently we assess a \$500 dollar penalty and this depends on the severity of the violation. Our goal really is to educate and train. The only time we would use a civil penalty is if we were receiving no compliance; this is just a tool for us to use.

266 DON SCHELLENBERG, OREGON FARM BUREAU: Testimony is neutral in regard to self service at gas stations. Testifies in support of the Card Lock issue.
Does not address the bill directly but focuses on the benefits of the Card Lock System for those residents of rural communities.

291 JAMES BALLENTINI, OWNER of a TEXACO GAS STATION, TIGARD, OREGON: Testifies in opposition to SB 446 and provides the committee with a list of gas stations in the Portland area who are opposed to SB 446 [EXHIBIT E].
-Responds to question from VICE CHAIR PHILLIPS regarding violations and penalties in allowing people to dispense their own gasoline where self service is not currently allowed.

326 SENATOR BILL DWYER, SENATE DISTRICT 21: Testifies in opposition to SB 446.
-Self serve gasoline will eliminate many jobs while maximizing profit

margins for oil companies.

-Discusses the distress placed upon mothers with children, disabled and seniors.

363 DALE ISHEM, AAA of OREGON: Testifies in opposition to SB 446 and SB 927. Discusses the opposition from his groups members. [EXHIBIT F].

TAPE 62, SIDE A

006 ISHEM: Continues to testify and provides the committee with average prices in gas for full service and self service and the gross differences in the two services.

-No compelling reasons to change the current laws.

-In response to Senator Miller, Mr. Ishem repeats the figures for differences in full and self service gasoline. Provides the dates for his survey of gasoline prices and provides the source of compilation of these facts.

043 CHAIR MILLER: Are you surprised that hiring someone to serve anyone a product costs more than not hiring someone to serve a product? Discusses the concept of "amenities" and the probability that one would pay more for additional services without complaint when comparing McDonalds restaurant with the Night Deposit, but that people complain to have to pay more for full service gasoline stations as compared to self service.

055 ISHEM: I don't believe that you are comparing like things or circumstances.

064 CHAIR MILLER: Is it fair or right for you and others to deny those who are physically capable the ability to pump their own gasoline?

076 ISHEM: This is a democracy and our elected representatives and senators should represent the majority will and a good test to that would be to place this on the ballot.

093 CHAIR MILLER: Is AAA taking this same position of restricting people from self service gas in any other of the states?

096 ISHEM: Yes, New Jersey is pursuing this issue as well.

Closes the PUBLIC HEARING on SB 446

Opens the PUBLIC HEARING on SB 927

Witnesses:

Triple A of Oregon: Dell Ishem

Oregon Farm Bureau: Don Schellenberg

Oregon Gasoline Dealers Association: Mike Sherlock, Executive Director
Mike Sims

Paralyzed Veterans of America: Eugene Orgon

State Fire Marshal's Office: Carol Washburn

Rep. Lynn Lundquist

103 EUGENE ORGON, PARALYZED VETERANS of AMERICA: Registers opposition to SB 927 by stating that his testimony on this bill was given with his testimony on SB 446.

112 REPRESENTATIVE LYNN LUNDQUIST, HOUSE DISTRICT 59: Testifies in support of SB 927 with proposed amendments (-2). [EXHIBIT G].

-Discusses the use of self service during the daylight hours at a station and using those same pumps as Card Lock only in the evening hours.

-Responds to Sen. Miller as to whether Rep. Lundquist has spoken to dealers.

155 REP. LUNDQUIST: Responds to Sen. Phillips as to the distribution ratios comparing Eastern Oregon to the rest of the State of Oregon.

178 VICE CHAIR PHILLIPS: Asks if we put card locks in these Eastern Oregon areas, what is the logic of doing this for these remote areas and where is the interest for oil companies to do this when some ranchers have their own gasoline tanks?

200 REP. LUNDQUIST: Bases his suggestion on his travels of the small towns and cities in Eastern Oregon. The plan is based upon how rural some of these cities are and the lack of gas stations.

215 VICE CHAIR PHILLIPS: Summarizes the argument of Rep. Lundquist. On what basis do we make this determination for Eastern Oregon for rural areas? I understand that you want us to establish this on counties with a population less than "x". Discusses further the related costs for providing customary inspection services. Is it a legitimate request to do this for such a small segment of the population.

267 REP. LUNDQUIST: Discusses the concepts of areas with less than adequate services in Oregon. Allowing card lock to be available to all of Oregon would cut down on costs.

-There are some business decisions to be made. The idea of Card lock is not the only intent of the bill.

306 MIKE SIMS, OREGON GASOLINE DEALERS ASSOCIATION: Testifies in support of SB 927. The proposed amendments of placing the card lock stations in an advantage over the conventional stations, is something that we would not be able to support.

332 VICE CHAIR PHILLIPS: Do you have an analysis of service dispensing facilities for both the conventional and the self serve broken down geographically and by population? Is there any determination where any areas of Oregon are in more need than others?

343 MIKE SHERLOCK, EXECUTIVE DIRECTOR, OREGON GASOLINE DEALERS ASSOCIATION: I don't have specific testimony to that but I would support Rep. Lundquist's statements regarding the availability of stations in remote rural areas.

370 CAROL WASHBURN, PROGRAM COORDINATOR, CARD LOCK UNIT, STATE FIRE MARSHAL'S OFFICE: The office takes a neutral position on SB 927.

382 DON SCHELLENBERG, OREGON FARM BUREAU: Testifies without specific support or opposition to SB 927 but with general support of the Card Lock system

394 SCHELLENBERG: Responds to question from Sen. Miller regarding having stations in rural areas and the benefits of Card Lock systems in these remote areas.

-Responds to question regarding a lack of reports of the hazards of dispensing gasoline.

TAPE 61, SIDE B

023 DALE BROWN, RESIDENT of BORING, OREGON: Testifies in opposition to SB 927. Provides an example as to why gas prices of self-serve are in his mind less expensive as compared to full serve prices.

063 BROWN: Self serve only denies the right of some citizens to full serve.

The ability to receive full service at a gas station is important for seniors and the disabled.

101 BROWN: The safety of the citizens is more important than the concept of self serve.

123 CHAIR MILLER: Why do you suppose that, in providing the option of full serve as compared to self serve, that there are not many stations with full service?

137 BROWN: Believes that the stations who provide self service have no full service in order to get the customer to come into their stores more than once for the notion of gaining additional profit. Responds to Sen. Miller's question regarding how Mr. Brown feels about the card lock stations.

166 CHAIR MILLER: If the situation was such that you didn't need to go into the store to pay, would you believe that there would be both full service and self service?

175 BROWN: There would be more full service. Explains the price differences in full and self service and his belief as to why people would most likely choose self serve over full serve.

-Responds to Sen. Miller's question as to whether government should control costs.

204 CHAIR MILLER: I am reluctant to give up my freedoms. Discusses the balancing of civil liberties. I don't believe in government intrusion where there is no need. There are people who in 48 out of 50 states are deemed competent to pump their own gas, yet Oregon doesn't feel its citizens should have the same freedom.

-Discusses the philosophical argument that for those people who want a service then the market will respond.

-Argues against Mr. Brown's position regarding whether or not the discussion rises to a citizens right to have self serve or full service.

264 BROWN: I would prefer that you would just leave the law alone. There is a safety feature here for seniors.

267 CHAIR MILLER: If you knew that amendments would be in this bill which would cater to the needs of the seniors, disabled and whoever to receive full service at a self service price, do you think that it would get you closer to allowing those of us who would choose self service to have that opportunity?

278 BROWN: Refers to Exhibit B and a specific example from the state of California.

-Even in California, it is difficult to receive service if you are disabled even if the law states that the self service stations are required to pump the gas for these individuals.

Closes the PUBLIC HEARING on SB 927

325 CHAIR MILLER: I would encourage Representative Lundquist to work with some dealers and others in trying to fashion some sort of agreement. It's not my intention for this to be the last of this discussion on these bills.

There is considerable interest on this issue.

Adjourns the meeting at 10:22 AM.

Submitted by,

Reviewed by,

Sarah A. Myers,
Committee Assistant

Kristina McNitt,
Committee Administrator

EXHIBIT LOG

- A -- Testimony on SB 446 -- Dale Brown -- 3 pages.
- B -- Testimony on SB 446 -- Dale Brown -- 9 pages.
- C -- Testimony on SB 446 -- Eugene Orgon -- 4 pages.
- D -- Proposed (-2) amendments to SB 446 -- Oregon Gasoline Dealers Association -- 1 page.
- E -- Testimony on SB 446 -- Jim Ballentini -- 4 pages.
- F -- Testimony on SB 446 -- Dell Ishem
- G -- Proposed (-2) amendments to SB 927 -- Representative Lynn Lundquist -- 2 pages.