

SENATE COMMITTEE ON
TRANSPORTATION

Hearing Room
Tapes - 2

MEMBERS PRESENT:

Sen. Ken Baker, Chair
Sen. Mae Yih, Vice-Chair
Sen. Lenn Hannon
Sen. Marylin Shannon
Sen. Dick Springer

STAFF PRESENT:

Janet Adkins, Committee Administrator
Gina Rumbaugh, Committee Assistant

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 , SIDE A

003 CHAIR BAKER: Calls the meeting to order (1:05PM).
-Introduces staff members
-Announcements and opening remarks

WORK SESSION: CONSIDERATION OF COMMITTEE RULES

024 CHAIR BAKER: We can adopt the proposed committee rules as temporary and come back to them later, or can adopt them as permanent now.

031 MOTION: SEN. HANNON MOVES ADOPTION OF THE RULES

033 SEN. SPRINGER: Requests discussion to amend item 7 in proposed committee rules to read that the Chair shall order a hearing and/or work session instead of simply a hearing or work session.

048 MOTION: CHAIR BAKER MOVES ADOPTION OF THE RULES WITH AMENDMENT

054 VOTE: HEARING NO OBJECTIONS THE MOTION CARRIES

056 Sen. Shannon joins the committee meeting.

WORK SESSION: INTRODUCTION OF LC 1603

062 MOTION: CHAIR BAKER MOVES THE COMMITTEE INTRODUCE LC 1603

065 VOTE: HEARING NO OBJECTIONS THE MOTION CARRIES

067 SEN. HANNON: Asks if he could move introduction of another LC from the Oregon State Police.

078 CHAIR BAKER: Do we have an LC number at this point?

079 ADMINISTRATOR ADKINS: No, it was just taken to Counsel yesterday.

083 MOTION: CHAIR BAKER MOVES THE COMMITTEE INTRODUCE THE LC ONCE A NUMBER IS PROVIDED FROM COUNSEL

083 VOTE: HEARING NO OBJECTIONS THE MOTION CARRIES

INFORMATIONAL HEARING

Witnesses: Ron Eachus, Commissioner, Public Utility Commission (PUC)
Bob Russell, Assistant Commissioner, PUC Transportation Program
Roger Hamilton, Commissioner, Public Utility Commission (PUC)

090 RON EACHUS, COMMISSIONER, PUBLIC UTILITY COMMISSION: Gives short history of transportation economic regulation in the state of Oregon, how the federal preemption bill came about, and what the PUC response has been.
-References two hand-outs [EXHIBIT C] and [EXHIBIT D]

139 EACHUS: The purpose of economic regulation in the state generally is to insure adequate service with reasonable rates and to match market demands with supply. It is important to note that economic regulation as it operated in Oregon did not create monopolies, rather controlled competition.

175 EACHUS: Trucking deregulation began with FedEx in California, and came about suddenly. One day of hearings in Congress, and passed both Houses. Clinton signed the bill in August, and it became effective January 1st of this year.

230 SEN. HANNON: Do you have a breakdown of regulated carriers that you would have regulated prior to and after the enactment of this bill?

242 EACHUS: Yes, specific numbers can be provided. I will cover what the federal legislation did and did not create.

248 SEN. HANNON: Is there going to be enough sustainable budget to maintain operation of the PUC, or is this a time to revamp the agency as it relates to trucking deregulation?

253 EACHUS: I don't think the organization and functions of the PUC will change, but staffing requirements will be affected.

269 EACHUS: References Exhibit C and lists what the act does and does not regulate.

288 CHAIR BAKER: Could you define what you mean by brokerage of service?

290 EACHUS: A broker is a middleman; arranges service for the shipper and the carrier.

292 CHAIR BAKER: Is there a PUC permit requirement to do that now?

295 EACHUS: Yes.

298 EACHUS: References Exhibit C and describes optional regulations.

320 EACHUS: References Exhibit D to discuss transition to the new legislation in conjunction with the industry and the public.

368 EACHUS: PUC will increase focus on safety, taxation, and insurance.
-References Exhibit D regarding PUC staffing

429 EACHUS: Addresses public impact outside of the tax and safety issues.

450 CHAIR BAKER: The state now has no ability to economically regulate any sort of traffic flow within the state other than hazardous material?

458 EACHUS: That's correct.

459 CHAIR BAKER: Doesn't the state have any interest in preserving smaller communities?

463 EACHUS: We have an interest, but we no longer have the authority.

465 SEN. HANNON: I think this might be an issue that possibly the committee might want to consider visiting at length with the trucking industry people. I am extremely concerned about some of these rural communities.

TAPE 2, SIDE A

040 CHAIR BAKER: Would the federalization prohibit the state from giving economic incentives in order to serve smaller communities?

045 EACHUS: To my understanding, I don't believe it would.

070 Sen. Hannon excused to attend another meeting.

120 EACHUS: References Exhibit D regarding truck at-fault. No additional federal funds are being provided although the federal preemption is going to lead to increased trucks on the roads.

155 EACHUS: References Exhibit D regarding policy goals.

170 EACHUS: Summarizes LC 1603 function and impact.

180 CHAIR BAKER: References Exhibit C regarding unintended impacts and asks the witness to please address.

186 EACHUS: One unintended impact is to local governments.

190 BOB RUSSELL, ASSISTANT COMMISSIONER, PUC TRANSPORTATION PROGRAM: Many unintended impacts will be addressed and resolved in the courts. There is broad potential impact.

222 CHAIR BAKER: Has the PUC drafted any model legislation for local governments?

224 RUSSELL: No, I don't believe we would be the proper agency to do that.

230 EACHUS: We've called this to the attention of local governments, and confined our legislation to re-orienting our own statutes.

241 ROGER HAMILTON, COMMISSIONER, PUBLIC UTILITY COMMISSION : Underscores the need for stability and viability in smaller communities.
-References Exhibit C regarding number of carriers

301 CHAIR BAKER: Requests updates on current studies.

309 RUSSELL: Update on two studies.

340 SEN. SPRINGER: What happens if Congress reverses course or makes some changes?

344 EACHUS: Difficult to tell how that would affect the industry.

424 SEN. SPRINGER: Are you aware of any coalition of your colleagues that may be asking Congress to re-examine the deregulation issue?

435 EACHUS: Certainly there is a concern.

TAPE 1, SIDE B

042 CHAIR BAKER: Asks how the PUC is funded.

046 EACHUS: We are entirely funded essentially by the agencies we regulate.

048 CHAIR BAKER: Are subject to oversight by Ways & Means?

049 EACHUS: Yes.

050 CHAIR BAKER: Asks if PUC will approach Ways & Means for an allotment to monitor federal preemption legislation and its impact on rural communities.

053 EACHUS: We have not addressed that specifically.

059 CHAIR BAKER: Would your staff have the technical ability to do an audit?

063 RUSSELL: We've done two small community studies, the most recent in 1994 in preparation for monitoring the effects of this act.

076 EACHUS: Policy goal is to establish and maintain reasonable rates and adequate service.

088 CHAIR BAKER: Introduces Rep. Hayden, Chair, House Subcommittee on Transportation.

090 SEN. YIH: Do you anticipate a large downsizing of your department budget due to reduction of staff and responsibilities?

094 EACHUS: References Exhibit D chart on staff reductions and transitions.

101 SEN. YIH: References Exhibit D, and notes it shows 10 reductions. Where are the other two?

103 EACHUS: Not shown are the two hearings officers in the administrative

division.

107 ADMINISTRATOR ADKINS: What happens between January 1st when the federal legislation took effect and when this legislation that the committee introduced today can take effect?

112 EACHUS: We're relying on our existing authority.

140 CHAIR BAKER: Asks if there are any further questions from the committee. Hearing none, the Chair thanks and dismisses the witnesses.

143 CHAIR BAKER: Discusses tour of Westside Light Rail Friday afternoon, 1/20.

206 CHAIR BAKER: Adjourns the meeting (2:16PM).

Submitted by, Reviewed by,

Gina Rumbaugh Janet Adkins
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

- A - Proposed Committee Rules, submitted by Staff, 2 pages
- B - LC 1603 Draft, submitted by Staff, 44 pages
- C - Trucking Regulation, submitted by Ron Eachus, 13 pages
- D - PUC Approach to Federal Preemption, submitted by Ron Eachus, 5 pages