

SENATE COMMITTEE ON
TRANSPORTATION

Hearing Room
Tapes - 6

MEMBERS PRESENT:

Sen. Ken Baker, Chair
Sen. Mae Yih, Vice-Chair
Sen. John Lim
Sen. Marylin Shannon

MEMBER EXCUSED:

Sen. Dick Springer

STAFF PRESENT:

Janet Adkins, Committee Administrator
Gina Rumbaugh, Committee Assistant

MEASURES HEARD:

SB 123 - Public Hearing and Work Session

SB 124 - Public Hearing and Work Session

SB 127 - Work Session

SB 129 - Public Hearing and Work Session

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).
-Announcements

PUBLIC HEARING ON SB 123

Witnesses: Gregg Dal Ponte, Motor Carrier Services, Public Utility
Commission (PUC)
Marshall Coba, Oregon Trucking Associations

010 ADMINISTRATOR ADKINS: Explanation of SB 123.

021 GREGG DAL PONTE, MOTOR CARRIER SERVICES, PUC: References visual
posterboard and submits written testimony [EXHIBIT A] from which he reads.

070 SEN. LIM: Why do we need legislation to accomplish this?

073 DAL PONTE: ORS currently directs how renewal takes place.

079 SEN. YIH: Are you proposing they expire at the end of different
quarters?

081 DAL PONTE: Various quarters throughout the year in order to stretch out
the workload.

097 SEN. YIH: What kind of personnel savings will there be?

100 DAL PONTE: Fiscal Impact Statement addresses that in detail; savings
equates to \$60,000.

136 CHAIR BAKER: Are you going to model the DMV registration expirations?

140 DAL PONTE: The only similarity is that it will be on a staggered basis.

143 CHAIR BAKER: Does this legislation allow you to do monthly if you want to?

145 DAL PONTE: The legislation is written for quarterly registration.

147 SEN. LIM: Would the new computer system allow you not to need to hire three people?

155 DAL PONTE: You're referencing the DMV system, which is different from the PUC process.

170 SEN. LIM: I don't think there is going to be much savings.

176 DAL PONTE: Salary compensations show significant savings in using three permanent staff as opposed to nine temporary staff.

186 CHAIR BAKER: Do you save money on administration as well?

190 DAL PONTE: Correct, much time is spent that will now be saved.

195 MARSHALL COBA, OREGON TRUCKING ASSOCIATIONS: The association supports SB 123; believe it will increase efficiencies, decrease cost, and improve service.

WORK SESSION ON SB 123

202 MOTION: SEN. SHANNON MOVES SB 123 BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION

204 VOTE: IN A ROLL CALL VOTE, ALL MEMBERS PRESENT VOTE AYE;
SEN. SPRINGER IS EXCUSED

215 Sen. Shannon will lead discussion on the Floor.

PUBLIC HEARING ON SB 124

Witnesses: Bob Russell, Assistant Commissioner, PUC Transportation Program
Michael Meredith, President, Oregon Trucking Associations
John Merriss, Transportation Economist, Oregon Dept. of Transportation

(ODOT)

Debra Downey, Public Affairs Officer, AAA Oregon
Bob McKellar, Oregon Forest Products Transportation Association

220 ADMINISTRATOR ADKINS: Explanation of SB 124.

248 BOB RUSSELL, ASSISTANT COMMISSIONER, PUC TRANSPORTATION PROGRAM:
Submits written testimony [EXHIBIT B] from which he reads.

310 -Regarding revenue impact, the bottom line is any reductions in revenue will be offset by reductions in PUC collection costs; net impact on revenue

to the highway fund will be zero.

320 CHAIR BAKER: Is the revenue impact based upon the full 3% discount which the PUC will adjust as time goes on to make this more balanced?

325 RUSSELL: Yes; explains rationale used to create the revenue impact.

340 MICHAEL MEREDITH, PRESIDENT, OREGON TRUCKING ASSOCIATIONS Oregon Trucking Associations supports the bill; notes two minor concerns regarding

the legislation.

368 SEN. YIH: How do you calculate the savings in giving carriers a 3% reduction?

370 RUSSELL: Will compare collection costs of the new technology implementation to that of the previous year's costs and will establish discount rate from that information.

384 -In response to Sen. Yih's question, the intention was not to pass the full savings back to the industry, rather to share it with the industry; government would also reap some of the benefit.

390 SEN. YIH: Policy of the state is not to take profit from such savings,

but to pass it on.

402 RUSSELL: The limitation was placed into the bill for cautionary reasons so that it didn't have a huge impact on revenues.

413 CHAIR BAKER: Would you anticipate coming back in two years and giving us an update?

417 RUSSELL: Yes.

425 SEN. YIH: Don't want PUC to subsidize other programs with the savings.

435 MEREDITH: Why is there a cap of 3%?

450 CHAIR BAKER: Because it's a brand new idea and there's an overabundance of caution.

455 SEN. LIM: Will the 3% savings justify the purchase of a computer for the truck?

460 RUSSELL: The basic computer that will meet the requirements of this program is \$425.

477 SEN. LIM: Confirms PUC will adjust every year; notes disagreement with the 3% cap.

TAPE 6, SIDE A

037 JOHN MERRISS, TRANSPORTATION ECONOMIST, ODOT: ODOT supports SB 124; operating under the assumption that this will have no net impact on the state highway fund.

046 ADMINISTRATOR ADKINS: What about one or two trucks out of a fleet equipping?

047 RUSSELL: We would apply the discount for that particular truck.

058 DEBRA DOWNEY, PUBLIC AFFAIRS OFFICER, AAA OREGON: Submits written letter [EXHIBIT C]. AAA Oregon is not in opposition to the bill, but feel there needs to be an amendment specifically stating there will be no net decrease in the highway fund.

074 CHAIR BAKER: It appears the PUC could not offer any discount at all.

085 SEN. YIH: What happens if there is a loss because of the 3% discount?

091 RUSSELL: It is certainly not our intention to negatively impact the highway fund.

111 SEN. YIH: I think the revenue impact should be more accurate than this.

119 RUSSELL: I agree, but I didn't prepare the revenue impact statement.

123 CHAIR BAKER: It's significant that we've had testimony from both the PUC and ODOT that they don't think there will be any impact, yet legislative revenue says there is an impact.

133 SEN. YIH: Requests the legislative revenue office provide a better statement.

136 BOB McKELLAR, OREGON FOREST PRODUCTS TRANSPORTATION ASSOCIATION: We agree with the philosophy behind this bill and believe this is an excellent

idea. The success of what the bill is trying to accomplish is related to the assurance that the discount will pay for the on-board computer in a reasonable period of time.

172 -Slightly uncomfortable with the language, and recommend the economic aspect be more clearly outlined and there be assurance it not detract from funds for highway.

200 SEN. YIH: Notes the PUC has the authority to make adjustments.

219 SEN. LIM: Agrees there should be some kind of a guarantee that there

will be a savings.

230 CHAIR BAKER: Has anybody looked at that issue as far as a flat 3% rate?

245 RUSSELL: The cap was imposed so people wouldn't be concerned there would be an adverse impact on the highway fund; the amount of the discount will be set prior to 1/1/96 for the entire year.

WORK SESSION ON SB 124

272 MOTION: SEN. LIM MOVES SB 124 BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION

283 VOTE: IN A ROLL CALL VOTE, ALL MEMBERS PRESENT VOTE AYE;
SEN. SPRINGER IS EXCUSED

290 Sen. Lim will lead discussion on the Floor.

WORK SESSION ON SB 127

295 MOTION: CHAIR BAKER MOVES SB 127 BE RETURNED TO THE PRESIDENT'S DESK WITH A LETTER REQUESTING THAT THE BILL BE REFERRED TO THE JUDICIARY COMMITTEE WITHOUT RECOMMENDATION AS TO ITS PASSAGE

307 VOTE: HEARING NO OBJECTIONS THE MOTION CARRIES

PUBLIC HEARING ON SB 129

Witness: Rick Willis, Assistant Commissioner, PUC

312 ADMINISTRATOR ADKINS: Explanation of SB 129.

335 RICK WILLIS, ASSISTANT COMMISSIONER, PUC: Submits written testimony [EXHIBIT D] from which he reads.

402 SEN. YIH: Will the Transportation Department lose money because of this delay in transfer?

408 WILLIS: Yes, approximately \$30,000 in interest per biennium, which is a very slight amount.

423 SEN. YIH: How do you make your payroll now when the money is short?

425 WILLIS: We have an exemption to the rule.

450 SEN. YIH: Does this save the General Fund \$30,000 per biennium?

455 WILLIS: Yes, it gives that money from the Highway Trust Fund to the General Fund.

458 CHAIR BAKER: Currently, do you borrow money from the General Fund for payroll?

463 WILLIS: Yes.

465 SEN. YIH: Do you have authority to keep the interest earnings in your department?

474 WILLIS: No, the principle and earned interest is transferred to the Highway Trust Fund.

TAPE 5, SIDE B

041 SEN. YIH: So, you can't use it for your payroll?

043 WILLIS: We wouldn't need it for the payroll.

WORK SESSION ON SB 129

050 MOTION: SEN. LIM MOVES SB 129 BE SENT TO THE FLOOR WITH A DO PASS RECOMMENDATION

053 VOTE: IN A ROLL CALL VOTE, ALL MEMBERS PRESENT VOTE AYE;

SEN. SPRINGER IS EXCUSED

057 Sen. Baker will lead discussion on the Floor.

INFORMATIONAL HEARING

Witnesses: Brent Thompson, Ashland City Council
Jane Cease, Manager, Driver and Motor Vehicle Services
Kelly Taylor, Manager, Driver and Motor Vehicle Services
Roger Breeding, Manager, Driver and Motor Vehicle Services

060 BRENT THOMPSON, COUNCILMAN, ASHLAND CITY COUNCIL: Submits written material [EXHIBIT E]. Would like gas tax money to be used for demand reduction programs in addition to highway construction and maintenance.

112 -References Exhibit E and explains the significance of sprawl, in-fill, and property rights

160 JANE CEASE, MANAGER, DRIVER AND MOTOR VEHICLE SERVICES: Submits and references written overview of DMV [EXHIBIT F].

223 SEN. YIH: What is the electronic lien program?

225 CEASE: The electronic transfer of such things as titles and approval for liens.

235 KELLY TAYLOR, MANAGER, DRIVER AND MOTOR VEHICLE SERVICES: Gives example at Sen. Yih's request.

263 SEN. YIH: Why would who has the title be of interest to DMV?

264 CEASE: Titles are a protection for the consumer in terms of who is the owner of the vehicle.

278 CHAIR BAKER: References Exhibit F regarding employees. Is the reduction partly due to what you are doing here?

285 CEASE: Yes, a major part. Continues summary of Exhibit F.

292 SEN. LIM: References Exhibit F, DMV General Statistics, and asks what is done with the money overage.

298 CEASE: We are the collection agent and operate off of the top of the fund, then turn over the rest to the Highway Fund for distribution to the cities, counties, and state.

304 Sen. Shannon leaves the committee meeting

315 CEASE: References and summarizes Exhibit F, DMV Services Organization
355 -Exhibit F, Major Change Initiatives

385 Sen. Shannon returns to committee meeting.

415 SEN. YIH: What is the waiting period for processing driver licenses?

420 CEASE: Notes examples of different transactions and goal waiting times.

TAPE 6, SIDE B

035 CEASE: Business volume is going up, we're overhauling almost all the work, and trying to reduce or transition staff at the same time.

057 CHAIR BAKER: Let's talk about electronic transfer.

060 CEASE: References and summarizes Exhibit F, New Licensing Systems Schedule.

075 ROGER BREEDING, MANAGER, DRIVER AND MOTOR VEHICLE SERVICES: References Exhibit F and describes phases.

090 -Customer database
110 -Issuance of driver licenses and ID cards
130 -Digital photo license
170 -Document imaging
220 -Titles and registration

250 CHAIR BAKER: Are you still going to need to maintain archives for prior

transactions?

252 BREDDING: Yes.

260 -Continues summary of Exhibit F, record update and monitoring

272 -Will be able to offer much better services

278 CEASE: We will report in-between the legislature sessions.

288 -References Exhibit F, Greenlight Project

332 SEN. YIH: Does this save you FTE also?

335 TAYLOR: Allows us to not have to expand weigh stations and personnel in

light of increased truck traffic and population growth.

350 SEN. YIH: What kind of assurance do you have that this new licensing
system computer system will work?

362 CEASE: The new system is up and working now for training.

378 CHAIR BAKER: Adjourns the committee meeting (2:53PM).

Submitted by, Reviewed by,

Gina Rumbaugh Janet Adkins
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Written testimony, submitted by Gregg Dal Ponte, 2 pages

B - Written testimony, submitted by Bob Russell, 3 pages

C - Letter to Sen. Baker, submitted by Debra Downey, 1 page

D - Written testimony, submitted by Rick Willis, 1 page

E - Informational material, submitted by Brent Thompson, 6 pages

F - DMV Branch Overview, submitted by Jane Cease, 11 pages