

HOUSE COMMITTEE ON NATURAL RESOURCES ENVIRONMENT AND ENERGY SUBCOMMITTEE

April 21, 1993 Hearing Room D 1:00 p.m. Tapes 72 - 74

MEMBERS PRESENT: Rep. Bob Repine, Chair Rep. Marilyn Dell, Vice-Chair
Rep. Sam Dominy Rep. Carl Hosticka Rep. Tim Josi Rep. Dennis Luke Rep.
Bill Markham Rep. Ray Baum

MEMBER EXCUSED: Rep. Bill Fisher

STAFF PRESENT: Kathryn Van Natta, Committee Administrator Karen
McCormac, Committee Clerk

MEASURES CONSIDERED: Public Hearing and Work Session - HB 2214
- HB 2419

WITNESSES: REP. TOM BRIAN FRED HANSEN, Department of
Environmental Quality KRISTIN FUNK-TRACY, Rep. Lisa Naito's Office JOHN
CHARLES, Portland Environmental Council JIM WHITTY, Association of
Oregon Industries JIM CRAVEN, American Electronics Association DELL
ISHAM, AAA of Oregon BERNIE BOTTOMLY, Tri-Met SUSAN SCHNEIDER, City of
Portland

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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. [--- Unable To Translate
Graphic ---]

TAPE 72, SIDE A

005 CHAIR REPINE: Calls meeting to order at 1:08 p.m.

OPENS PUBLIC HEARING ON HB 2214

At the beginning of the session, this bill was given to a task force
which worked on some of the technical issues, and Rep. Brian is here to
present the report of the House Special Task Force on Motor Vehicle
Emission Regulations.

021 REP. TOM BRIAN: Presents report of the House Special Task
Force on Emissions (EXHIBIT A).

066 CHAIR REPINE: CLOSING PUBLIC HEARING ON HB 2214

OPENS WORK SESSION ON HB 2214

069 REP. TOM BRIAN: Continues testimony.

279 REP. MARKHAM: In Attachment 1 of the report, it lists "DLCD

Land Use/Transportation Credit" as an "endorsed recommendation of the task

force." Can you explain this?

283 REP. TOM BRIAN: The Department of Environmental Quality can better explain it. As I understand it, LCDC's Goal 12 for the Portland

metropolitan area requires the siting of business and housing to allow access to transit.

332 FRED HANSEN, Department of Environmental Quality: Begins testimony (EXHIBIT B) in support of HB 2214.

338 CHAIR REPINE: Requests that witness review some strategies not yet discussed in previous hearings.

346 HANSEN: The federal government establishes national air quality standards which are necessary to protect public health. In addition,

mandates are imposed on states, and sanctions are imposed for non-compliance. These sanctions include the elimination of federal highway funds. If we attain compliance, but have no plan to show the

maintenance of that compliance over a minimum of ten years, the federal government requires that growth restrictions be placed on businesses. If an industry expands or relocates, it must remove 110 percent of what it will be emitting and remove it from the airshed. This may even mean buying pollution controls for another business to reduce emissions.

Secondly, they must use "the most advanced technology" for that source category, which is referred to as "LAER," which means the "lowest achievable emission rate." If any other business already currently has that technology, it must be installed in these businesses. This is a requirement which is imposed without regard to cost.

TAPE 73, SIDE A

011 HANSEN: Those two requirements severely restrict the ability of businesses to relocate, expand or start up, and will be imposed if we do not have data showing we are in attainment and have a long-term

maintenance plan.

024 REP. MARKHAM: Does this include water pollution?

026 HANSEN: Only air pollution. We are projecting achieved attainment this summer. However, increased population will put us out of attainment if

we do not have a long-term maintenance plan.

Refers to the report by the House Special Task Force on Emissions regarding the regulation of new lawn and garden equipment emission standards. The federal government prohibits any state except California from adopting stricter standards than those imposed by California.

California has been allowed stricter standards due to serious pollution problems.

079 Currently, the DEQ vehicle inspection program tests vehicles at idle and at 2500 RPMs, which is not an effective way to test vehicles which

operate at various speeds. The EPA has promulgated requirements for areas in the nation with the worst air quality to have an enhanced inspection program, which tests vehicles over a wider range of running conditions.

Under state law, vehicles over 21 years old are not subject to the vehicle inspection program. Older vehicles often emit more dangerous emissions. New standards would require vehicles manufactured in 1974 and later to be tested.

104 REP. MARKHAM: What percentage of vehicles are older than 1974?

106 HANSEN: About six or seven percent. Continues testimony.

166 REP. HOSTICKA: What level of assurance does the federal government need that we will reach compliance?

168 HANSEN: Three key criteria will be reviewed by the EPA; whether our maintenance plan is predictable or quantifiable, whether the plan is a

permanent part of our strategy, and whether it is enforceable.

197 REP. DOMINY: What happens if we do not meet that criteria?

215 HANSEN: If an item fails to achieve what was planned, a contingency plan is automatically put into place. The federal government takes over only if we do not have a plan in place, so this would not occur for

several years.

224 REP. JOSI: Could you elaborate on the "LCDC Land Use/Transportation Rule Credit" shown in the report by the House Special Task Force on

Emissions?

228 HANSEN: The Oregon Transportation Commission and the Land Conservation and Development Commission adopted a rule which provides for specific

levels of reduction of vehicle miles travelled (VMT). This reduction will be reached through a host of local government actions which are yet to be sorted out, such as parking restrictions.

272 REP. JOSI: Ultimately, you will need to test the air to determine whether your assumptions are correct.

277 HANSEN: That is correct. We also conduct an emission inventory, counting how many vehicles are travelling how many miles, etc.

281 REP. JOSI: If your assumptions are not correct, how do you assign blame?

283 HANSEN: We have monitors located at various locations throughout the Portland metropolitan area, and on a daily basis, we conduct emission

readings.

309 REP. JOSI: This sounds like a full-employment act for DEQ.

312 HANSEN: Perhaps. Last summer we expected a violation of air quality standards in

Portland. However, due to the drought and water use restrictions, lawn equipment useage was substantially less.

340 CHAIR REPINE: Would the Employer Trip Reduction Program (parking ratios at the jobsite) enable employers to confirm it is working when it

actually is not?

350 HANSEN: We would expect regulatory requirements to meet test enforceability. It is more difficult with softer requirements, such as

incentive programs.

368 REP. LUKE: Would you reduce the number of parking places at worksites so people would be forced to take mass transit?

373 HANSEN: We would appoint an advisory committee composed of all affected parties, and develop a rule. Businesses generally establish one parking place per employee, when it should be seventy percent. To insure that

their employees could get to work, the business would need to find some way to meet that need. The enforceable legal requirement would be in

the number of parking spaces they could construct.

403 REP. DELL: Requests explanation of time frame suggested by task

force.

417 HANSEN: Under the federal clean air act, EPA is required to be able to approve or disapprove plans within 18 months. Historically, it has

taken three years to approve plans. We are requesting a one-year review period so we can proceed with our plan.

TAPE 72, SIDE B

013 HANSEN: Outlines qualifications the committee should be aware of with the passage of HB 2214.

In changing the vehicle inspection boundary, we will analyze population centers which route heavier traffic into the Portland area.

069 REP. MARKHAM: Who is on the hit list?

072 HANSEN: Likely candidates are communities in Yamhill County, and Scappoose in Columbia County. This is because of the number of

commuters into Portland from these "bedroom" communities, and also because winds from the west and northwest bring pollution into the Portland area.

080 REP. LUKE: Are other communities likely to be included?

083 HANSEN: No. Central Oregon might be included, but that's a long way off. Medford is a possibility, because of the growth.

116 CHAIR REPINE: CLOSES WORK SESSION ON HB 2214

OPENS PUBLIC HEARING ON HB 2214

135 KRISTEN FUNK-TRACY, Rep. Lisa Naito's Office: Presents written testimony (EXHIBIT C) in support of HB 2214.

152 JOHN CHARLES, Director, Portland Environmental Council: Testifies in favor of HB 2214. As a member of the Governor's Motor Vehicle Emission

Task Force, this proposal reflects the issues on which the task force reached unanimity.

175 JIM WHITTY, Associated Oregon Industries: Presents written testimony (EXHIBIT D) in "qualified" support of HB 2214.

279 JIM CRAVEN, American Electronics Association: Testifies in support of the original HB 2214. Discusses Intel Corporation's decision to locate

a one-billion dollar facility in New Mexico, an attainment area, which does not face the clean air restrictions faced by Oregon.

We're trying to get another Intel facility sited in Oregon. As originally drafted, HB 2214 is the I/M (inspection and maintenance) expansion bill. Our association supported the original bill, and supports the emission fee. We hope other strategies, such as the gas tax fee, registration fee, etc. can be substituted for strategies such as the Employer Trip Reduction Program, which imposes a burden on business.

392 REP. HOSTICKA: Is our I/M program a stand-alone plan?

396 CRAVEN: We coordinate with Washington State, which is implementing an inspection and maintenance program now. The river is an artificial

boundary regarding air pollution.

TAPE 73, SIDE B

014 HANSEN: Sanctions apply to Clark County in Vancouver. The vehicle inspection program requirements are being added because of wintertime

pollution violations. Washington has adopted a thirty-five percent reduction as their goal in the Trip Reduction Program, which is higher than Oregon's twenty percent.

023 REP. HOSTICKA: I recommend that we introduce a sales tax to reduce trips across the river into Washington.

037 REP. MARKHAM: Mr. Craven indicated he wanted an overall plan instead of HB 2214. What is the difference?

038 CRAVEN: We didn't discuss the changes DEQ has made to the bill. The original HB 2214 expanded the I/M program. DEQ already has existing

legislative authority to implement some of those items such as the regulation of lawn equipment. They need this new I/M authority, but the other items could be implemented under existing statute.

055 REP. MARKHAM: Do you prefer administrative rule or statute?

058 CRAVEN: A lot of these will take administrative rules, no matter how specific the bill is.

068 WHITTY: Mandatory statutory programs are probably not wise due to continual changes in technology and society.

128 DELL ISHAM, AAA of Oregon: Presents written testimony (EXHIBIT E) in support of HB 2214, with the addition of proposed amendment, which would allow vehicle emission inspections by AAA of Oregon.

148 REP. MARKHAM: Does DEQ contract out their inspections?

151 ISHAM: Not to my knowledge.

152 HANSEN: We allow inspections referred to as "fleet inspections" which allow companies to perform inspections on their own vehicles, as

provided by statute.

172 REP. DOMINY: Why hasn't this been contracted out?

177 ISHAM: The statutes are fairly vague, but I think this service could be contracted out. We need to explore all types of ways to reduce

government spending. As a non-profit organization, AAA of Oregon would not be doing this to make a profit, but to provide an additional service for our members.

193 BERNIE BOTTOMLY, Legislative Coordinator, Tri-Met: Testifies in support of HB 2214. Tri-Met keeps about 100,000 cars per day off the street.

Approximately sixty-four percent of our riders own vehicles, but choose to take the bus.

218 REP. MARKHAM: Do Tri-Met employees ride for free?

220 BOTTOMLY: Yes.

226 REP. MARKHAM: Who inspects your vehicles?

232 HANSEN: Tri-Met conducts its own inspections for its fleet.

239 REP. LUKE: Have you converted some busses into propane? What are your long-range plans?

242 BOTTOMLY: We have two natural gas busses currently in operation which we're using in a pilot project. We plan to acquire more in the future.

251 CHAIR REPINE: There is currently a senate bill sponsored by the Department of Energy which offers incentives for natural gas and propane conversions of commercial vehicles.

Additions to the record: HB 2214 Request for Bill Review (EXHIBIT F)

CLOSES PUBLIC HEARING ON HB 2214

OPENS PUBLIC HEARING ON HB 2419

264 REP. MARKHAM: If we pass HB 2214, won't HB 2419 be irrevelent?

265 CHAIR REPINE: You are correct.

274 KATHRYN VAN NATTA, Committee Administrator: House Bill 2419 was on the bill borrow, and establishes the vehicle emission fee

within the

Portland metropolitan area. Both bills were scheduled today because we had not seen the amendments which incorporated material from both bills into one bill.

301 JOHN CHARLES, Oregon Environmental Council: Presents written testimony (EXHIBIT G) in support of HB 2419. Only when people are faced with the

true cost of driving will they change their driving habits. It is important that the fee be proportional, so that owners of vehicles which emit ten times the amount of pollutants emitted by other vehicles, should pay an inspection fee which is ten times greater than other vehicle owners. A flat fee would only be regressive.

TAPE 74, SIDE A

023 REP. MARKHAM: Did you ride the bus here today?

024 CHARLES: No.

025 REP. LUKE: Where will the money go which is collected for the inspections?

026 CHARLES: That depends. The constitution will need to be changed to allow revenue to go to transit programs, clean air projects, and ways to mitigate the impact on low-income people, such as providing free bus

passes. If the constitution is not changed, revenues will go into the Highway Trust Fund.

036 SUSAN SCHNEIDER, City of Portland: Presents written testimony (EXHIBIT H) in support of HB 2419.

078 REP. LUKE: Is a base mileage established, beginning at 10,000 miles, or does it begin at mile one?

080 SCHNEIDER: It starts from mile one.

084 REP. LUKE: What would be the average cost for a party who drives about 10,000 miles annually within the Portland metropolitan area in an

energy-efficient vehicle?

085 SCHNEIDER: My understanding is that the average would be between \$200 and \$250 annually.

087 CHARLES: The cleanest cars would probably cost less than one penny per mile, but other cars could be as high as seven or eight cents per mile. The bill has been written to initially impose a cap.

100 REP. LUKE: Newer cars are driven by those who can afford them.

Aren't you penalizing lower income people by charging them a higher fee?

104 CHARLES: Sections 10 and 11 of the bill authorize DEQ to mitigate that problem, including a mileage allowance for those who meet an income

test, free transit passes or a "Cash for Clunkers" program, which has been used in California.

118 SCHNEIDER: I want to correct my previous answer regarding the average annual cost to drivers in the Portland metropolitan area. On Page 2,

Lines 21 and 22 of HB 2419, it states that the rate be at least five dollars but no more than \$125, with an average of \$50.

141 REP. HOSTICKA: Did the House Task Force receive testimony regarding the emissions fee?

144 SCHNEIDER: They received information from DEQ.

153 REP. LUKE: Have there been any estimates of how much revenue would be generated by this bill?

154 SCHNEIDER: I do not know.

156 HANSEN: Approximately 800,000 automobiles will be affected. We estimate that revenues would be approximately \$160,000,000 per year.

163 CHAIR REPINE: If this bill was presented to the voting public in the Portland metropolitan area, would it pass?

167 SCHNEIDER: If voters understand the issue, they will support it.

172 CHAIR REPINE: Maybe we should present this as a referendum.

Additions to the record: HB 2419 Notice of Possible Revenue Impact (EXHIBIT I) HB 2419 Request for Bill Review (EXHIBIT J)

CLOSES PUBLIC HEARING ON HB 2419

Adjourns meeting at 3:13 p.m.

Submitted by:

Reviewed by:

Karen McCormac
Administrator

Kathryn Van Natta Assistant

EXHIBIT LOG:

A - House Special Task Force on Emissions Findings and

Recommendations - Rep. Tom Brian - 7 pages B - HB 2214 Testimony -
Fred Hansen - 15 pages C - HB 2214 Testimony - Rep. Lisa Naito - 2
pages D - HB 2214 Testimony - Jim Whitty - 2 pages E - HB 2214
Testimony - Dell Isham - 1 page F - HB 2214 Request for Bill Review
- Rep. Larry Campbell - 1 page G - HB 2419 Testimony - John Charles
- 5 pages H - HB 2419 Testimony - Susan Schneider - 2 pages I -
HB 2419 Notice of Possible Revenue Impact - Staff - 1 page J - HB
2419 Request for Bill Review - Rep. Larry Campbell - 1 page