

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

DATE: April 9, 1993 TAPES: 113 -116 PLACE: Hearing Room C TIME: 8:00 AM

MEMBERS PRESENT: Senator Ron Cease, Chair Senator Jim Bunn, Vice-Chair Senator Joyce Cohen Senator Bob Kintigh Senator Bob Shoemaker Senator Gordon Smith Senator Shirley Gold

STAFF PRESENT: Peter Green, Administrator Chris Warner, Research Associate Kus Soumie, Clerk

MEASURES HEARD: SB            260 PUB SB            543 PUB SB            67 WRK SB  
                  170 WRK SB            192 WRK SB            452 WRK

THESE MINUTES CONTAIN MATERIALS WHICH PARAPHRASE AND/OR SUMMARIZE STATEMENTS MADE DURING THIS SESSION. ONLY TEXT ENCLOSED IN QUOTATION MARKS REPORTS A SPEAKER'S EXACT WORDS. FOR COMPLETE CONTENTS OF THE PROCEEDINGS, PLEASE REFER TO THE TAPES.

TAPE 113 SIDE A 005 CHAIR CEASE CALLS MEETING TO ORDER 8:00 AM WORK SESSION ON SB 193 WITNESSES: Fred Robinson, ODOF

011 FRED ROBINSON, Oregon Department of Forestry, offers testimony on SB 193 . -            overviews intent/probable administrative action with timber sales/logging activities -            request could contain information on average age of timber for each planned harvest -            information could be compiled and passed on to other agencies for policy information -            educational aspects of SB 193 could be disseminated to harvesters during administrative rule making process and/or not)fication forms

065 SEN COHEN: Is it possible, is it your intention, to collect additional information for rule Senate Agriculture and Nalural Resources April 9, 1993 Page 2

making? Then you will already have information on how much, what ages of trees are cut and where cutting is occuring. I want that information collected, especially in water shed areas and areas having aggressive cuts, with "Hampton" pieces. We need to know, what age levels of trees are being cut, in order to observe the second phase of all this.

070 ROBINSON: Yes. We could select areas, assign foresters and begin, gathering information.

076 SEN KINTIGH: I would like to have a copy of the first drafts of your document.

082 CHAIR CEASE: The committee will send a letter to the department to follow up on this.

WORK SESSION ON SB 170

MOTION: Chair Cease moves SB 170 to Trade & Government Reorganization DO NOT PASS (with letter stating position) VOTE: Roll call vote 5 - 0 (See's Bunn & Gold excused) ACTION: SB 170 referred to Trade and Economic Development DO NOT PASS recommendation (letter containing reasons for Do Not Pass recommendation)

WORK SESSION HEARING 192

WITNESSES: Peter Green, Committee Administrator Gary Gustafson, Division

of State Lands

130 PETER GREEN, Committee Administrator, gives testimony on SB 192 and -2 amendments, including recent history of proposed legislation, and Sen Cohen's introduction of SB 452, which both addressing critical salmon habitat affected by gravel mining operations in stream beds (EXHIBIT A). 150SEN COHEN: Overview of the -2 amendments  
- prohibits gravel removal in critical habitat with forest practice reforms in riparian areas - overview of testimony already given on this bill - price tag for study - proposal for funding through lottery - commercial aggregate has agreed to come up with a portion of fees needed

266 GARY GUSTAFSON, Director, Division of State Lands, offers testimony on SB 192 (-2 amendments), overviews EXHIBIT A, and answers questions from committee members. - gravel removal over 50 cubic yards, in the Willamette River, a removal fill permit - commercial gravel removal from state land requires a lease - committee discussion

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MOTION: Sen Cohen moves -2 AMENDMENTS VOTE: Hearing no objection  
ACTION: -2 Amendments to SB 192 adopted MOTION: Sen Cohen moves SB 192 as amended TO THE FLOOR DO PASS VOTE: Roll call vote 6 - 0 (Sen Bunn Excused) MOTION CARRIES ACTION: SB 192 TO THE FLOOR DO PASS (Sen Cohen to carry)

WORK SESSION ON SB 452 MOTION: Sen Cohen moves to TABLE SB 452 VOTE: Roll call vote 6 - 0 (Sen Bunn Excused) MOTION CARRIES ACTION: SB 452 TABLED PUBLIC HEARING ON SB 260

WITNESSES: Peter Brockman, bill sponsor Phil Ward, Asst. Director, Oregon Department of Agriculture Ken Simila. Admin. Measurement Standards Division, Oregon Department of Agriculture Ann O'Ryan, Public Affairs Director, AAA Mikes Simms, PETRO Bill Tuininga, PETRO John Burns. WSPA Steve Fite, WSPA Tom Galligher Larry Hill, Oregon Gasoline Dealers Mike Sherlock, Oregon Gasoline Dealers Brian Boe, Oregon Petroleum Marketer's Assn.

368 PETER BROCKMAN, Former Senator and Sponsor of the bill, offers testimony on SB 260, and presents overview of EXHIBIT B. - SB 260 is verbatim to SB passed in 1991 session (28 - 2 Sen Yih, Hannon voting nay) - presents summary and history of proposed legislation - civil penalty aspect of the bill was noted by Attorney General after follow ups on complaints from dealers who questioned octane of gas sold to them from distillers.

TAPE 114 SIDE A

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005 BROCKMAN: - continues testimony on SB 260 and overview of EXHIBIT B. - Oregon is one of 3 states not testing octane at the pump level  
036 CHAIR CEASE: In your opinion what is the nature of industry's opposition?

040 BROCKMAN: Many friends in the industry, are against this bill, while having no opposition to testing. Industry wants to do testing. Consumers need to know industry will test at the pump.

047 PHIL WARD, ODOA, offers testimony on SB 260, and presents overview of EXHIBIT B. - history of state's involvement with petroleum quantity/quality testing - motor fuel quality program administered in 1933-43 - DOA is still interested in motor fuel quality

090 KEN SIMILA, ODOA, offers testimony on SB 260, and presents overview of EXHIBIT B.

120 CHAIR CEASE: 1) Are the mentioned provisions still in statute, and how would this differ from what Oregon does currently or what was in statute? 2) Do labels at gas pumps vary substantially from one type of gas to another in Oregon? 127 SIMILA: 1) Under proposed legislation there would be checking for contamination with sediment, water, octane, corrosiveness, additives (mandatory, prohibited or seasonal), and others. 2) Presently, the only labeling used by marketers is the octane number required under federal law. No other ingredient labeling is required in Oregon. - presents samples of substandard gasoline - motorists with complaints about fuel find lab costs for samples a deterrent from lawsuits 219 ANNE O'RYAN, Public Affairs Manager, AAA

of Oregon, offers testimony on SB 260, and presents overview of EXHIBIT C. - \$15 million per year lost due to overpayment for gasoline alone in Oregon - compared with states having testing program Oregon consumers there are octane frauds, mislabeling, contamination etc 276 SIMILA: There is a 4 percent problem rate in states with ongoing random testing as opposed to and average of 12 percent problem rate in states that have inactive or no testing program, or about a three to one ratio.

289 O'RYAN: - continues testimony on SB 260, and overview of EXHIBIT C. - excess amounts of lead found in 13 percent of problem fuels - improperly blended fuels exists in states without testing program - problems take place at the wholesale and the retail level - questions from committee members (Sen Kintigh and Sen Cease) 343 Some cases of improperly labeled contaminated or blended fuels are intentional and some are not - the substandard fuel is more of a problem

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- Oregon's lack of fuel testing programs may attract "fuel dumping"

TAPE 113 SIDE B

005 O'RYAN: There are indications of a danger that this bill may be found unconstitutional. - the most common source of octane mislabeling comes from wholesale and retail level - problems with funding mechanism found in SB 260 - discussion, comments and questions from committee members 146 MIKE SIMMS, PETRO, offers testimony in opposition to SB 260, and presents overview of EXHIBIT D. - Section 9 of this bill may not withstand a court challenge - dealers/wholesalers have

little or no control over products received from manufacturers  
184 BILL TUININGA, PETRO, Gasoline Dealer, offers testimony on SB  
260, and presents overview of EXHIBIT D. - consumers with complaints are  
taken directly to my supplier - small retailers complaints are taken  
seriously by suppliers - industry has market driven mechanisms  
identifying "bad actors" and coping methods - dealer leases are taken  
away for bad marketing practices and related offenses 228 SEN SMITH:  
Are there less intrusive ways to deal with this problem? This bill is  
like trying to kill a fly with a sledge hammer. 230 TUININGA: I agree  
with you. The solution needs to start with the consumer. - questions  
from committee members 288 CHAIR CEASE: We need to understand how  
large this problem is and we need to find out and deal with it.  
321 JOHN BURNS, Western States Petroleum Association (WSPA), offers  
testimony on SB 260. - we have never opposed fuel quality and octane  
testing - work was done last session (1991) on underground funding  
mechanism - Fred Hansen DEQ was instructed by the AG to zero out the  
load fee which we opposed 379 CHAIR CEASE: I agree that you (the  
retailer) are not responsible for the court case. 386 BURNES: -  
continues testimony on SB 260, overviews problems with fuel  
inconsistencies.

jI6 TAPE 114 SIDE B

005 BURNES: - continues testimony on SB 260. - overview of rules for  
jobbers and dealers - with approved funding mechanism. fuel testing  
would please us \_ \_ . . . These minutes contain materials which  
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050 STEVE FITE, WSPA, offers testimony on SB 260, and overviews fuel  
testing procedures/costs. - overview of technical problems in proposed  
legislation 117 - Questions from committee members 125 TOM  
GALLIGHER, testimony on SB 260, and answers questions from committee  
members. 163 LARRY HILL, Oregon Gasoline Dealers, offers testimony on  
SB 260. 170 MIKE SHERLOCK, Eugene Chevron Dealer, Executive Director,  
Oregon Gasoline Dealers, offers testimony on SB 260, and outlines  
problems with provisions in the bill. - those who supply gasoline should  
be faulted not the dealers - existing system deals gas quality  
violations on both ends 215 CHAIR CEASE: You are using scare tactics  
and we don't need it. 222 SHERLOCK: continues with overview of  
problems and concerns with proposed legislation in SB 260. - overview of  
proposed state and local tax increases - imposed fees make staying in  
business very difficult 244 CHAIR CEASE: Is there a lot of legislation  
in Oregon to put more taxes on gas - I am not assuming that the gasoline  
industry is out to defraud the consumer. I am only raising questions  
about the nature of the problem. 360 BRIAN BOE, Oregon Petroleum  
Marketers Association, offers testimony on SB 260, and presents overview  
of the industry's opposition to this bill. - oxygenated fuels are in  
fact tested in Oregon - we question the methodology used in fuel testing  
by AAA

TAPE 115 SIDE A

WORK SESSION ON SB 67

WITNESSES: Peter Green, Committee Administrator

019 PETER GREEN, Committee Administrator, offers testimony on SB 67,

and presents overview of EXEIIIBIT F. 058CHAIR CEASE: Summery of proposed amendments, and the question of raising pesticide registration fee. 076SEN COHEN: I am not convinced the pesticide industry is doing their share in disposal. I am not willing to have DEQ do this without adequate funding, etc. I want to hear from AG DEQ and the industry again. The ODOA has a commitment to deal with chemicals used in the Senate Agriculture and Natural Resources April 9, 1993 Page 7 - Agriculture business and I think we need to address the dangers involved in this business. I do recognize improvement over the years.

MOTION: Sen Cohen moves the-Se Amendments to SB 67 VOTE:Hearing no objection ACTION: -Sa Amendments to SB 67 Adopted MOTION: Sen Cohen moves SB 67 as amended to WAYS & MEANS DO PASS VOTE: Roll Call Vote 6 - I (Sen Smith voting NAY) ACTION: TO WAYS AND MEANS DO PASS

PUBLIC HEARING ON SB 543 WITNESSES: Bob Danko, DEQ Quincy Sugarman, OSPIRG Mike Dewey, Oregon Waste Systems

180 BOB DANKO, DEQ, offers testimony on SB 543 and outlines provisions and fees included in the bill. 217 CHAIR CEASE: You are not on the record for support of this bill. What is your position? 223 DANKO: The generator should pay these fees and should not be under contracts. 229 SEN COHEN: What kind of paper trail does this leave for the DEQ? 237 DANKO: DEQ has no interest in, nor are we staffed to accommodate this program. We do not want to get into contracts, and would prefer a type of self certification. 263 SEN COHEN: This bill will send a message to those who want no importation of waste out of state, this will send them a message. That is my judgement of what is the intent of this legislation 287 discussion with Cohen and Shoemaker 329 SEN SMITH: I have a philosophical problem if we are mandating that a business can't deal with passing on its costs on to the person bringing it in or the customer using the land fill. That seems like price control, and that never worked. 330 GREEN: - explains proposed amendments on tipping fees

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360 QUINCY SUGARMAN, OSPIRG, offers testimony on SB 543, and presents overview of EXHIBIT G.

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005 - Sen Smith and Sen Bunn discuss provisions in SB 543 020 SEN SHOEMAKER: I understand that, in addition to the landfill in Arlington there are others who are competing for waste. - would this bill put Oregon Landfills at a competitive disadvantage

044 SUGARMAN: There are enough landfills at present in Oregon to handle the waste stream. I would assume that landfills in Washington and other states have similar fees in place. I am not sure how Washington funds the cost of construction and cleanup of landfills, and incentives to encourage recycling and reuse.

continued discussion with Sen Shoemaker

063 DANKO: I would like to clarify for the record the landfill fees

in Washington. Dianna Godwin representing Rebanco landfill operations, told us that the per ton fee is higher in Washington - discussion with Sen Bunn and committee members 080 MIKE DEWEY, Oregon Waste Systems, offers testimony on SB 543, and presents overview of EXHIBIT H. - close session on SB 543 with Dewey and committee members (chair Cease is gone) 205 CHAIR CEASE ADJOURNS MEETING AT 10:50 AM

EXHIBIT LOG:

A - Amendments to SB 192 - Staff - 2 pages B - Testimony on SB 260 - Simla - 97 pages C - Testimony on SB 260 - Anne O'Ryan - 24 pages D - Testimony on SB 260 - Mike Simms - 1 pages E - Testimony on SB 260 - Sen Kintigh - 1 pages F - Amendments to SB 67 - Staff - 10 pages G - Testimony on SB 543 - Quincey Sugarman - 1 pages H - Testimony on SB 543 - Mike Dewey - 1 pages

Submitted by: Reviewed by:

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