

SENATE COMMITTEE ON TRANSPORTATION

March 24, 1993 Hearing Room C 3:00 p.m. Tapes 38 & 39 MEMBERS
PRESENT: Sen. Joan Dukes, Chair Sen. Bob Kintigh Sen. Jim Bunn Sen.
John Lim Sen. Tricia Smith Sen. Catherine Webber Sen. Mae Yih STAFF
PRESENT: Ruth Larson, Committee Administrator Shannon Gossack,
Committee Assistant MEASURES CONSIDERED: SB 492 SB 713 SB 554

.. . . . 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 38, SIDE A

002 CHAIR DUKES: Calls hearing to order at 3:15 p.m.

006 PUBLIC HEARING ON SB 554: Provides special allocation to certain
counties out of moneys appropriated to all counties from State Highway
Fund.

SENATOR WES COOLEY BILL PENHOLLOW, ASSOCIATION OF OREGON COUNTIES

012 RUTH LARSON, COMMITTEE ADMINISTRATOR: Explains intent of SB 554 to
Committee members.

017 SEN. COOLEY: Testifies in support of SB 554. -Discusses what the
money from SB 554 would be used for and the source of the funding.
-Explains the decline of federal timber receipts. -Counties with no
timber receipts are being penalized for not having the ability to
harvest timber -Discusses the issue of economic importance of rural
roads. -Explains use from people who don't live in the area Senate
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068 SEN. YIH: Do you have a list of counties who have federal and
state dedicated resources and have low road miles? 074 COOLEY: I can
get that. 075 CHAIR DUKES: There are four of them. 078 SEN. YIH:
Any other counties eligible for this? 080 CHAIR DUKES: There haven't
been any other counties eligible in the last two years. 086 BILL
PENHOLLOW, ASSOCIATION OF OREGON COUNLLES: The five counties with the
lowest dollars per mile are: Gilliam, Sherman, Morrow, Malheur and
Baker. 089 CHAIR DUKES: Are all five of them receiving a portion of
this \$500,000 dollars? 091 PENHOLLOW: No. This past year only
Gilliam, Sherman, Morrow and Malheur received funds. Baker did not
receive any. The \$500,000 dollars ran out before a share was distributed
to Baker. 090 SEN. YIH: So the fifth lowest one isn't going to get
any money until the other four are caught up in equivalent funding per
mile? 101 PENHOLLOW: Explains how the funding system works.
107 SEN. YIH: With the decline in timber receipts that is going to
make a lot of the middle counties go down. 108 PENHOLLOW: If they go
to zero, it could very well put some of those that have timber receipts
into this system. 110 SEN. YIH: How low are these five counties?
116 PENHOLLOW: Explains equivalent road miles in relation to the five
counties being discussed. 121 CHAIR DUKES: Explains what happened in
the 1991 legislative session in regard to the gas tax.

134 SEN. SMITH: How could timber receipts affect a county like Gilliam?

138 SEN. COOLEY: There is no harvesting done there. These funds are badly needed by these counties. The equity between those who have and have not, it is a real issue. We need the ability to get across the state. 174 SEN. LIM: This bill also has a part related to school funding. Based on that I decided to be a co-sponsor. I just wanted that noted for the record. 182 COOLEY: I am happy you looked at it that way. It was a way to help those who do not have as much. . 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. Senate Committee on Transportation March 24, 1993 - Page 3

186 SEN. KINTIGH: Asks about the rail line in those counties.

193 COOLEY: The rail line is basically gone. Economically it wouldn't pay to regenerate it. 202 CHAIR DUKES: We will hear SB 713 on Monday, March 29, since we are running out of time and there are a lot of people here to testify on SB 492.

PUBLIC HEARING ON SB 492: Authorizes persons engaged in pack and load operations to drive motor vehicle under specified circumstances without becoming subject to regulation by Public Utility Commission.

JIM HAHN, JIM'S MOVING LISA WOJCIK, ADVANCED N.W. MOVING NOEL FRANZ, FINE LINE MOVING LABOR SERVICE TERI COLE, E & A SERVICES INC. ALLEN WEATHERS, WEATHERS MOVING SPECIALISTS DENNIS WEATHERS, WEATHERS MOVING SPECIALISTS

230 LARSON: Explains SB 492-3 amendments. (EXHIBIT A) Submits hand-engrossed SB 492. (EXHIBIT B) 270 LISAWOJCIK, ADVANCED NORTHWESTMOVING: Submits and reviews written testimony. (EXHIBIT C) -Explains intent of SB 492-3 amendments. (EXHIBIT A) -Discusses the history of the Attorney General opinion outlined in written testimony. (EXHIBIT C) 374 SEN. SMITH: If you were to pick up the truck and drive to the place of origin would you be charging the customer for that? 380 WOJCIK: I haven't been for the last year. There are other pack and loads further away that do charge. 390 SEN. SMITH: What is the difference between you and a certificated household goods mover that is required to go through the authority process? 394 WOJCIK: We don't own the truck and the customer assumes liability. The customer rented the truck in their name. 401 SEN. SMITH: They might have the truck in their name but you provide the entire service from beginning to end.

TAPE 39, SIDE A

004 WOJCIK: Explains the pack and load process.

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012 JIM HAHN: The major difference is that we are able to offer a cost benefit because we aren't regulated by PUC.

015 SEN. SMITH: There might be a cost benefit but the state has decided that household goods carriers have a significant impact on the public so

they need to be regulated. You would not be bound with the regulations your competitors would and your customers would not have the protection.

020 WOJCIK: Currently we can drive the truck from origin to destination. The question is whether we can drive it from the rental agency. No one has a problem with us driving from one house to the other.

025 SEN. SMITH: Because they determined it is incidental to your major business; that being packing and loading.

029 WOJCIK: What is in question is the empty rental truck. -Discusses they type of customer she encounters in her business.

040 SEN. SMITH: If this bill passed would you be comfortable with PUC regulating this?

043 WOJCIK: No we would not. We are looking for our own independent regulatory body. We would like to set up guidelines for insurance, training and standards for the industry.

047 SEN. SMITH: Do you have insurance or are you bonded?

050 WOJCIK: Not through PUC. -Discusses liability insurance.

057 SEN. SMITH: Do you pay highway use tax to PUC? What protection does a person have from a pack and load? 060 WOJCIK: I don't pay a use tax but the truck rental agency does. Right now a person doesn't have a lot of recourse and that is why we are looking at setting up our own regulatory body. -Explains the opinion of truck rental agencies regarding pack and load companies. 085 SEN. YIH: Asks for clarification regarding the issue of damage and what protection the customer has. 090 WOJCIK: Clarifies insurance coverage issue. 097 SEN. YIH: If the vehicle is damaged the liability is covered by who? 100WOJCIK: Explains safe move insurance. 114 SEN. YIH: What is the limit of the liability?

115 WOJCIK: It is \$100,000 dollars for vehicle and personal damage. Each rental agency is different, they have their own guidelines. ~ ?

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-Explains the coverage she carries on her workers. -Once the goods are in the truck it's covered by either homeowners or the insurance.

150 SEN. SMITH: Are you required to have a commercial drivers license?

152 WOJCIK: No we are not because we fall under the 26,000 pound limit.

155 SEN. SMITH: Are household goods carriers required to have a commercial drivers license? -If you wreck the truck who is liable?

163 WOJCIK: I believe that a CDL license is required for the larger trucks. The truck rental company would be liable if I wreck the truck because you would have had the safe move insurance.

166 SEN. SMITH: I can't sue you.

169 WOJCIK: You can sue me if you want to. -Explains the liability coverage issue in relation to the truck leasing companies.

178 HAHN: The issue is driving the empty truck.

192 CHAIR DUKES: This is a foreign term to the committee so we are just trying to understand this a little bit better.

202 WOJCIK: Refers to testimony. (EXHIBIT C) / 264 SEN. YIH: Which part of the Attorney General opinion says you can drive the vehicle?

270 WOJCIK: Reviews written testimony. (EXHIBIT C) -We just want to be able to drive the customer's rental truck from the rental agency to their house. If for some reason they can't return the truck then we would like to be able to do that also.

343 NOEL FRANZ, FINE LINE MOVING LABOR SERVICE: We are the end of the line with the customer and trying to give them the best value. Although our business isn't regulated yet, we do comply with most of the PUC laws. When the customer rents the truck they are already complying with PUC. We are asking to be able to take the truck off of the lot and then return as a representative of the customer. The only gray area is the back end of the truck to the doorway. We have elderly people who can't or don't have a drivers license anymore. We should be allowed the opportunity to go forward in the best interest of the public, especially in the best interest of the elderly, handicapped and people who don't have a driver's license.

TAPE 38, SIDE B

002 SEN. YIH: Do large moving companies charge \$75.00 dollars per hour? 005 FRANZ: Regulated companies start around \$75.00 dollars per hour.

007 SEN. YIH: What do you charge per hour? J, .. . 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. Senate Committee on Transportation March 24, 1993 - Page 6

010 FRANZ: Right now I charge about \$35.00 dollars per hour. You would do business with me because you can get a better deal. We can provide a very good, professional service. I don't run 40 hours per week. The customer calls us when they need us. We get a lot of lower income people. It is a new frontier out there. It's an old business with a new twist. This business is creating a growth and a revenue back to the state. 020 CHAIR DUKES: You're already doing this. The only thing you're not doing is driving the truck from the rental place to the customers home. 022 FRANZ: We would like the same privilege that was extended to people in this industry in the past. 025 CHAIR DUKES: But without being regulated. 037 FRANZ: At the present time there aren't enough of us to be regulated. We are very young. 040 CHAIR DUKES: You're asking for the same rights as a regulated agency, but without the regulation. 041 FRANZ: Not yet. We will eventually ask for the regulation. We have the right to keep that entrepreneurship open. 042 CHAIR DUKES: We aren't trying to close anything, because it is already closed. 043 FRANZ: Then we're going to try and reopen it. We

have to fight a lime bit harder to make our point. I believe there are about 60 of us in the state and that doesn't even comprise 1 % of the market place. -I support SB 492 with the SB 492-3 amendments only.

042 TERRY COLE, E & A SERVICES: Supports SB 492-3 amendments. -Explains the insurance coverage issue. -Discusses some of the customers typically served by pack and load companies. -We try to avoid picking up and checking in the rental trucks. 094 SEN. SMITH: Asks for cost comparison between a pack and load in a local move and what a household goods mover that is regulated would charge. 098 COLE: Explains the typical pack and load charge.

108 FRANZ: Our people have to be knowledgeable on this issue. We have our reputation on the line.

121 COLE: About 65% of our business is reE,eat business or by referral.

125 SEN. YIH: How many hours does it take?

132 COLE: About three hours to move a typical 2 bedroom home.

134 SEN. YIH: So there would be a sign)ficant dollar difference to move.

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143 FRANZ: We can drive the truck from origin to destination.

151 CHAIR DUKE: What would be the difference between you and Bekins?

155 FRANZ: We are just a labor service. We just want to pick up the empty truck at the rental agency.

163 CHAIR DUKES: Why are you any different than a moving company?

167 FRANZ: We can't provide the truck and we are acting as an agent for the customer.

173 COLE: We haven't been trying to avoid PUC, in fact, we have been working with them all these years. It is virtually impossible to obtain a PUC permit. 186 CHAIR DUKES: Would you have a problem with being

regulated? 190 ALLEN WEATHERS: PUC has granted this permission for 23 years and I have documents here to support that. I don't understand why, after all these years, they have decided to change this? 225 CHAIR DUKES: Was this changed by administrative rules?

227 WEATHERS: That is correct. Discusses prosecution. -Supports SB 492-3 amendments.

346 DENNIS WEATHERS: Test)files in support of SB 492-3 amendments.

370 CHAIR DUKES: Has this had a sign)ficant effect on your business?

377 WEATHERS: We still currently drive them. The public will be the one to suffer.

392 CHAIR DUKES: So really something is being taken away from you that

you have been allowed to do in the past.

TAPE 39, SIDE B

PUBLIC HEARING ON SB 554:

LAYRA PRYOR, GILLIAM COUNTY JUDGE JUDGE MIKE McARTHUR, SHERMAN COUNTY
DOUGLAS WILSON, CATTLE RANCHER

019 LAYRA PRYOR, GILLIAM COUNTY JUDGE: Submits and reviews written
testimony. (EXHIBIT D)

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085 JUDGE MIKE McARTHUR, SHERMAN COUNTY: Testifies in support of SB
554. -Discusses road miles per person in his county. -Refers to map
within written testimony. (EXHIBIT D) People in my county pay more than
their share of what they get back in road taxes. -Discusses the users of
their rural roads.

115 DOUGLAS WILSON, CATTLE RANCHER IN GILLIAM COUNTY: These rural roads
are a vital part of the Oregon economy. -Discusses grain production in
Gilliam County. -Explains last major upgrading of roads. -Discusses the
county economics in relation to transportation.

186 CHAIR DUKES: I don't know if there is anything we can do to help
your situation. I would like to spend a little time looking into this.
Maybe we could suggest a small counties allotment. I think other parts
of the state have found ways of meeting the inequities that they face. I
don't think this bill is the method that we're going to use. I would
like to see if there is something we could work out.

193 SEN.SMITH: It seems like your situation is similar to the one the
state of Oregon faces in relation to federal funding. We need to do
something, but I'm not sure this is going to help in the long run and it
also isn't based on population. 201 SEN. BUNN: Suggests getting an
accurate measure of miles driven. That would make a lot more sense to
base the rate on miles driven rather than vehicles registered.

171 CHAIR DUKES: You would need to take tourism into consideration.

213 SEN.BUNN: It is clearly an inadequate system now. What could be
used to base this on if we can't use miles driven?

224 CHAIR DUKES: With any luck we'll find something to address that.
-Adjourns meeting at 5:15 p.m.

Submitted by, Reviewed by, Shannon Gossack | /Ruth Larson
Assistant v Administrator

EXHIBIT LOG: A- SB 492-3 amendments, staff, 1 pg. B - SB 492 hand
engrossed, staff, 3 pas. C - Testimony on SB 492, Lisa Wojcik, 17 pas. D
- Testimony on SB 554, Layra Pryor, 23 pas.

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