

Senate Committee on Transportation  
March 26, 1991 - Page

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.

Measures Heard

WS: SB 389  
SB 775  
PH: SB 759

SENATE COMMITTEE ON  
TRANSPORTATION

March 26, 1991Hearing Room C  
8:00 a.m.Tapes 51 & 52

MEMBERS PRESENT:Sen. Joan Dukes, Chair  
Sen. William McCoy, Vice-Chair  
Sen. Peter Brockman  
Sen. Scott Duff  
Sen. Paul Phillips  
Sen. Eugene Timms

MEMBER EXCUSED: Sen. Tricia Smith

STAFF PRESENT: Ruth Larson, Committee Administrator  
Shannon Gossack, Committee Assistant

WITNESSES: Maura Roche, Automobile Club of America  
Ken Simila, Oregon Dept. of Agriculture  
Mike Sherlock, Oregon Gasoline Dealers Assoc.

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TAPE 51, SIDE A

008 CHAIR DUKES: Calls hearing to order at 8:15 a.m.

WORK SESSION SB 389

009 RUTH LARSON, COMMITTEE ADMINISTRATOR: Explains SB 389-1 amendment. (EXHIBIT A) Explains outline of cost information. (EXHIBIT B)

061 MOTION: SENATOR PHILLIPS MOVES SB 389-1 TO SB 389.

VOTE: HEARING NO OBJECTION THE MOTION IS ADOPTED.

MOTION: SENATOR PHILLIPS MOVES SB 389, AS AMENDED, TO THE JUDICIARY COMMITTEE.

VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES WITH SENATORS MCCOY, TIMMS, BROCKMAN, PHILLIPS AND DUKES VOTING AYE, AND SENATORS DUFF AND SMITH EXCUSED.

WORK SESSION ON SB 759

118 MIKE SHERLOCK, OREGON GASOLINE DEALERS ASSOCIATION: Testifies in support of SB 775.

-This is a consumer protection bill.  
-Discusses the penalty issue.  
-Expresses concern about confidentiality.

-Suggests possible amendments to SB 759 regarding the certification of octane content, fees, enforcement and prosecution.

154 SEN. MCCOY: Why shouldn't the information be released?

157 SHERLOCK: Suppliers have to take the dealer's word that he is delivering what the supplier asked for. If a dealer is found to be selling an incorrect octane, but didn't know it was incorrect, we don't feel that dealer's name should be made public.

167 SEN. MCCOY: This is a supplier/dealer issue.

170 SHERLOCK: I think we should release the name of the perpetrator.

173 SEN. MCCOY: Can we send a letter along with the bill stating what we heard in testimony?

193 SHERLOCK: Discusses labels on pumps.

201 SEN. MCCOY: Discusses oil refineries and the people who are buying them.

207 SEN. PHILLIPS: The bill conceptually is a good idea. The supplier should be able to certify his goods.  
-There is a problem with the confidentiality issue.

240 CHAIR DUKES: Is testing expensive?

243 SHERLOCK: Explains the expensive process of testing.

254 CHAIR DUKES: Discusses possible test sites.

257 SHERLOCK: Oil companies must test it before they ship it out.

272 SEN. TIMMS: Do you feel this is necessary?

278 SHERLOCK: We really don't feel this issue is a huge problem. Most dealers are delivered to directly by Chevron USA. When people pick up their own gas is where the problem might be.

295 SEN. TIMMS: This industry is already been hit with a lot of regulations.

312 KEN SIMILA, OREGON DEPARTMENT OF AGRICULTURE: Submits and reviews written testimony. (EXHIBIT C)  
-Discusses the results of the Department of Agriculture testing with samples and surveys.  
-Discusses national studies and programs in regard to costs.

TAPE 52, SIDE A

010 SIMILA: Continues with written testimony. (EXHIBIT C)

088 CHAIR DUKES: What is the minimal octane level for regular gasoline?

092 SIMILA: Explains octane levels in gasoline.  
-Discusses octane levels in regard to mountainous areas.

131 SEN. TIMMS: Asks for clarification on the issue of gasoline coming in from the state of Idaho.

141 SIMILA: Discusses the way in which gasoline is brought into Oregon in regard to octane levels.

148 SEN. TIMMS: Are regulated states allowed to sell their product to other states even if it doesn't meet the octane level?

152 SIMILA: The octane level of the product is legal in Idaho not in Oregon.

157 SEN. TIMMS: Discusses how this would effect Oregonians in terms of cost.

162 SIMILA: Explains the process of shipping gasoline into Oregon.

191 SEN. TIMMS: So do they need a separate tank?

195 CHAIR DUKES: They are already selling it in Idaho and Oregon.

198 SIMILA: This bill would not require them to bring in something new.

207 SEN. DUFF: Is altitude the primary factor in determining if a different level of octane is required in the gasoline?

213 SIMILA: Discusses California areas where mountain gas could be used.

227 CHAIR DUKES: If we were to initiate this program than you could address the issue of mountain areas.

233 SIMILA: Continues with written testimony. (EXHIBIT C)  
-Explains when a shipment does not require a certification.  
-Suggests permitting the authority to adopt minimum standards.

TAPE 51, SIDE B

012 SEN. PHILLIPS: I want to hear if there really is a problem with this issue.

015 SIMILA: Explains how water is a big problem in the storage tanks.

022 CHAIR DUKES: Asks about the survey regarding the ratings of octane.

025 SIMILA: There needs to be a standard for the accumulation of water.  
-Discusses the need for a funding mechanism.  
-Most states do this as part of the gasoline tax.  
-Section 8 outlines the funding mechanism.  
-Explains the issue of the testing expense.  
-Discusses the fiscal contained within testimony.

090 CHAIR DUKES: The \$500.00 fee would be through a private lab?

092 SIMILA: Yes, but there is not a private lab in Oregon at this time.

100 CHAIR DUKES: Do you have any estimates on what it would cost the Department of Agriculture to do this?

103 SIMILA: That is outlined in level 3 of my testimony.  
-Discusses the issue of violations.

124 SEN. PHILLIPS: Expresses concern over the fact that the Department of Environment and Quality and other interested agencies are not at meeting.

146 SIMILA: There needs to be a dove-tailing of several agencies and I am sure that they are all interested in working on this.

169 SEN. PHILLIPS: I am far more comfortable with your involvement than some of the other agencies mentioned. If the DEQ are the great protectors of our environment then where the heck are they?

177 SEN. MCCOY: The Department of Agriculture was mentioned in this bill. Maybe we should get those other people here.

183 SIMILA: Suggests an additional amendment relating to civil penalties.

232 SEN. TIMMS: Discusses how the fee would be shown on the invoice. What level of fee would that be based on?

243 SIMILA: It replicates the current collection and pickup transfers into the state.

350 SIMILA: Gives explanation about the gasoline samples brought in.

286 SEN. DUFF: Is there any reciprocity for the tax that we pay to

Washington State?

291 SEN. TIMMS: That is the Superfund tax that we pay Washington.

301 SIMILA: Discusses the shipments coming from the Puget Sound area.

308 MAURA ROCHE, AUTOMOBILE CLUB OF OREGON: Submits and reviews written testimony. (EXHIBIT E)

334 CHAIR DUKES: I don't know who would end up paying for this. If the dealer ends up paying for it than it will probably be passed to the consumer. Is your membership willing to see an increase at the pump?

345 ROCHE: Certain people are already paying for it. They are having to replace parts of their cars. I think it would be a shift and a more equal distribution.

361 SEN. TIMMS: Do you feel that Oregon motorists are not getting the proper fuel?

381 ROCHE: Oregon Triple A has used the same studies that Mr. Simila talked about.

388 SEN. TIMMS: The problem might be in the area where the dealer ships his own gas? It isn't what we are shipping in from other states?

395 ROCHE: It could be a combination of both of those things.

413 SEN. TIMMS: Expresses concerns about placing more restrictions on this industry.

426 SEN. BROCKMAN: This bill was not drafted because someone was doing something wrong, but if someone does do this I would like to know about it.

430 CHAIR DUKES: Adjourns hearing at 9:44 a.m.

Submitted by, Reviewed by,

Shannon Gossack Ruth Larson  
Assistant Administrator

EXHIBIT LOG:

- A - Staff, SB 389-1 amendments, 1 pg.
- B - Staff, SB 389, 1 pg.
- C - Al Elkins, SB 775, 4 pgs.
- D - Ken Simila, SB 775, 84 pgs.
- E - Maura Roche, SB 775, 1 pg.