



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

February 20, 2014

To: Senator Arnie Roblan, Chair
Senate Committee Rural Communities and Economic Development

From: Robin Wisdom, President
Theresa Gibney, Natural Resources Volunteer

Re: HB 4111A: Infrastructure Innovation Oregon: **SUPPORT**

The League of Women Voters is a grassroots, nonpartisan, political organization that encourages informed and active participation in government. The League has strong positions on Climate Change, including a call for active mitigation of inputs that lead to climate change and adaptation to issues posed by climate change. The League also has common sense positions on accountability, and the effective performance and decision making capability of all units of government. Based on these positions, the League supports HB 4111A. We express our hopes for Public Infrastructure Commission recommendations for 2015 legislation, to improve this bill, later in this testimony.

First, the League supports the continued study of public-private investment in public infrastructure. The League supports the proposed Commission and its charge to extend the work of the Oregon Innovation in Infrastructure Task Force and to deliver a report and (possibly) recommendations for legislation by November 2014. The League agrees that Oregon needs to test and evaluate a variety of methods of financing and procuring public infrastructure projects and to ensure the highest level of transparency, accountability, and consistency in those projects.¹

The League strongly supports the legislative intent expressed in HB 2345 (2013) that focused on Oregon's participation in the West Coast Infrastructure Exchange and the requirement for a strong center of excellence in the contracting and management of public-private partnerships² to protect the public interest in high dollar public infrastructure investments. The League agrees that public-private investments and partnerships could be valuable to taxpayers in situations where new or unique competencies are required, if sufficient technical and financial expertise is engaged to negotiate contracts on behalf of the public, and where, simultaneously, costs are truly available to be driven out of the system. Examples of these include: a) the high reliability and low costs enabled by economies of scale (such as investor-owned utilities regulated by Oregon's unique system of utility regulation) or b) highly technical projects, with appropriate oversight, that are paid back by actively eliminating adjacent costs (such as

¹ HB 4111 -2, Section 1 (3).

² HB 2345 (2013), Section 1 (2)

energy performance savings contracts with oversight provided the deeply experienced Washington Department of Enterprise Services).

Among detail provided in HB 4111A, the League supports the addition of several members to the Commission and the decision to leverage the existing and capable resources of the Treasurer's office in the vetting of potential public/private partnership projects. The League understands that the Treasurer's office will not begin this role until funding is allocated by the Legislature and assumes that pilot projects will not advance until this vetting capability is in place.

The League supports these changes because they add transparency, efficiency and cost effectiveness to both the Commission study effort and the vetting of potential infrastructure projects that might be financed through public-private investment.

The League further assumes that the Commission and the Treasurer's office are painfully aware that infrastructure investment contracts are promises to deliver something real. The League asserts that contracting for real projects requires that there is deep technical expertise provided to the teams that evaluate, negotiate and manage contracts to ensure that the savings projected by those contracts are technically feasible and properly valued.

The League hopes that, in addition to financial vetting and oversight, legislation proposed in 2015 will require strong technical vetting and oversight of public infrastructure projects.

Beyond positions on the effective performance of government, the League has strong positions supporting environmentally sound policies that reduce energy growth rates, emphasize energy conservation and encourage the use of renewable resources. Specifically, the League was an early mover in calling for immediate action to mitigate climate change, starting in 1999. The League commends Oregon energy leaders for Oregon's nation-leading success in climate change mitigation over the last fifteen years.³

Nevertheless, the League recognizes a parallel, emerging need to adapt to the unmitigated impacts of climate change. The League appreciates the Governor's leadership within the Pacific Coast Collaborative and his efforts to lead Oregonians to face the reality of the expenditures required to adapt to climate change.

The League strongly supported the inclusion of climate change mitigation and adaptation infrastructure categories⁴ in HB 4111, as introduced, and the call in Section 17 (2) (a) (J) for a priority in public/private infrastructure investments based on the responsiveness of the design to climate change issues.

The League hopes similar infrastructure categories and climate change priority language is present in legislation proposed by the Commission in November 2014.

³ Past successes have been enabled by SB 1149 (1999), SB 838 (2007), HB 3435 (2007), and the requirement for consistent advances in Building Codes and Appliance Standards.

⁴ HB 4111, -2, Section (3)(a)