

February 20, 2014

Senate Rural Communities and Economic Development Committee  
Chair Roblan and Members of the Committee  
900 Court St. NE  
Salem, OR 97301

### AGC Position on HB 4111-A

AGC agrees there is a tremendous need for a substantial investment in infrastructure improvements and that need will only increase in the coming years. We are committed to a comprehensive review of all the methods and tools to accomplish this goal. That includes public-private partnerships in all forms and models as one component of a total solution. AGC opposed HB 4111 as originally introduced. Intense negotiations have led to a substantially amended bill that AGC now supports. **Our support is predicated on: 1) new models of financing public infrastructure must be tested and evaluated before any permanent structure is put in place; and 2) a variety of possible funding approaches must be explored prior to any substantive changes to Oregon's public contracting laws.**

**AGC has always been, and will continue to be, guided by one bedrock principal embedded in current law: that all alternative contracting methods ensure that competition is not diminished.**

HB 4111-A now incorporates recommendations proposed by AGC. Section 2 of the bill, in particular, accomplishes three major objectives: First, it creates the Public Infrastructure Commission composed of a broad range of stakeholders and a depth of expertise. Second, this Commission is charged with researching and evaluating all possible infrastructure financing models, as well as reviewing the tools available to close the funding gap in Oregon. Third, the Commission will receive and analyze reports concerning pilots utilizing public private partnership procurement models.

We are hopeful this Commission's efforts will provide the critical information needed to guide policymakers discussions related to any future changes to Oregon's public contracting laws.

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In summary, there are two critical components to this bill. The first (Section 2) concerns the due diligence necessary to understand all the potential risks and opportunities public-private partnerships may bring to Oregon. The other component (Section 3) relates to testing and piloting one particular public-private partnership model. Moving forward, it is our hope that these two components strike a balance and will inform each other concerning the best path to financing Oregon's critical infrastructure needs.

Please contact John Rakowitz with any questions regarding AGC's involvement with this legislation. He can be reached at 503-317-1781 or [johnr@agc-oregon.org](mailto:johnr@agc-oregon.org).

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