

REVENUE:

FISCAL:

SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 3/18

WHAT THE MEASURE DOES: Creates provisions to subject vehicles owned or operated by transportation districts to law regulating motor carriers, including the Oregon Department of Transportation's transportation safety program. Deregulates for-hire carriers of persons.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

(-1 amendment) Clarifies that public sector providers of passenger carriage are exempt from highway use tax but subject to safety regulation by the Oregon Department of Transportation.

BACKGROUND: Regular route passenger carriage remains subject to full economic regulation including entry, rates and routes. The purpose behind state economic regulation historically has been to ensure the statewide availability of a reliable level of service while neither allowing service providers to realize excess profits as a sponsored monopoly nor risk going under due to declining revenues insufficient to maintain a viable fleet and level of service.

There is a declining population of motor carriers possessing certificated authority to provide regular route passenger transportation subject to economic regulation and the simultaneous growth of public transit providers of the same passenger carrier services. Currently, these two models are sometimes bumping up against existing statutory economic regulation requirements which were unknown to them when they commenced operations. That fact has given rise to certain protestations from private providers of passenger carriage which find it difficult to compete with publicly provided competition. Today, there are only 11 motor carriers in Oregon that hold certificated authority to transport passengers. Of 11 passenger carriers with certificated authority, three are inactive, one was purchased by another, and three of them are receiving public transit subsidies either in the form of a route, fares, or equipment.

By deleting the barriers to entry and the requirements of rate regulation Senate Bill 142 seeks to enable public transportation entities to advance and continue their provision of services. Existing private providers will have opportunity to assist in provided contracted passenger carriage services for public transit providers. This will enable disconnected public transit districts in rural Oregon to link and provide more a connected service.

Additionally, Senate Bill 142 seeks to subject public transit entities to the oversight of Oregon Department of Transportation's transportation safety program as described in ORS Chapter 825. Currently, public transit providers are not subject to ODOT safety regulation as a specific exemption in ORS 825.017.