

Secretary of State
NOTICE OF PROPOSED RULEMAKING*
A Statement of Need and Fiscal Impact accompanies this form

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ARCHIVES DIVISION
SECRETARY OF STATE

Department of Transportation, Motor Carrier Transportation Division

740

Agency and Division

Administrative Rules Chapter Number

Lauri Kunze

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Rules Coordinator

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Department of Transportation, Motor Carrier Transportation Division, 355 Capitol St. NE, MS 51, Salem, OR 97301

Address

RULE CAPTION

SB 142A Deregulation of passenger carriage transportation

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing

ADOPT:

AMEND:

740-020-0010, 740-030-0010, 740-035-0010, 740-035-0145, 740-035-0150, 740-035-0165, 740-045-0110, 740-050-0010, 740-050-0020, 740-050-0050, 740-050-0100, 740-050-0110, 740-050-0120, 740-050-0140, 740-050-0220, 740-050-0230, 740-050-0500, 740-050-0600, 740-050-0610, 740-050-0630, 740-050-0820, 740-050-0830, 740-055-0150, 740-055-0170, 740-055-0190, 740-055-0210, 740-055-0500, 740-300-0040

REPEAL:

740-035-0160, 740-050-0070, 740-050-0080, 740-050-0090, 740-050-0130, 740-050-0210, 740-050-0270, 740-050-0400, 740-050-0410, 740-050-0430, 740-055-0310

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS 184.616, 184.619, 823.011, 825.232

Other Authority:

None

Statutes Implemented:

ORS 805.300, 818.200, 818.210, 818.230, 823.007, 823.029, 825.100, 825.102, 825.104, 825.106, 825.108, 825.110, 825.115, 825.135, 825.160, 825.166, 825.200, 825.202, 825.204, 825.206, 825.220, 825.224, 825.234, 825.240, 825.320, 825.470, 825.950, 826.031

RULE SUMMARY

The proposed rulemaking is necessary to implement SB 142A. 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 or 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.

A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the **Oregon Bulletin** or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the **Oregon Bulletin** at least 14 days before the hearing.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

<u>08-22-2016 8:30 a.m.</u>	<u>Lauri Kunze</u>	<u>lauri.g.kunze@odot.state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

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Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

the amendment of 740-020-0010, 740-030-0010, 740-035-0010, 740-035-0145, 740-035-0150, 740-035-0165, 740-045-0110, 740-050-0010, 740-050-0020, 740-050-0050, 740-050-0100, 740-050-0110, 740-050-0120, 740-050-0140, 740-050-0220, 740-050-0230, 740-050-0500, 740-050-0600, 740-050-0610, 740-050-0630, 740-050-0820, 740-050-0830, 740-055-0150, 740-055-0170, 740-055-0190, 740-055-0210, 740-055-0500, 740-300-0040 and the repeal of 740-035-0160, 740-050-0070, 740-050-0080, 740-050-0090, 740-050-0130, 740-050-0210, 740-050-0270, 740-050-0400, 740-050-0410, 740-050-0430, 740-055-0310

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Need for the Rule(s):

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Documents Relied Upon, and where they are available:

None

Fiscal and Economic Impact:

None

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

None

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

None

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

None

c. Equipment, supplies, labor and increased administration required for compliance:

None

How were small businesses involved in the development of this rule?

Fourteen groups representing small businesses received a copy of the proposed amendments and were asked to submit comments on fiscal and economic impact. No comments were received.

Administrative Rule Advisory Committee consulted?:No

If not, why?:

The proposed rules were presented to the Motor Carrier Transportation Advisory Committee, composed of industry and governmental representatives, at a meeting on April 14, 2016.

<u>08-22-2016 8:30 a.m.</u>	<u>Lauri Kunze</u>	<u>lauri.g.kunze@odot.state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address