

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

May 18, 2005 Hearing Room B

8:00 A.M. Tapes 131 - 133

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. Paul Holvey

Rep. George Gilman

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

SB 172 – Public Hearing and Work Session

SB 386A – Public Hearing

SB 119A – Public Hearing and Work Session

SB 353A – Public Hearing and Work Session

SB 13A – Public Hearing and Work Session

SB 15 – Public Hearing

SB 17A – Public Hearing

SB 983 – Public Hearing and Work Session

SB 600A – Public Hearing and Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 131, A

001	Chair Brown	Calls the meeting to order at 8:07 a.m. and opens a work session on SB 172.
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SB 172 – PUBLIC HEARING

003	Janet Adkins	Committee Administrator. Describes SB 172 relating to changing the date for beginning the reconsideration period for workers' compensation claims when the reconsideration is requested by the insurer or self-insured employer.
016	Chair Brown	Inquire about the changes made on pages 4, 9 and 11 of the bill.
027	John Shilts	Administrator, Workers' Compensation Division. Submits written testimony in support of SB 172 (EXHIBIT A). States that SB 172 would move to the earliest of any of the three actions and speed up the process of reconsideration. Says that there is no reason to wait for reconsideration when both parties request it. Indicates that they are trying to move away from basing action on the latest timeline.
062	Chair Brown	Asks about the statutes that are being repealed.
065	Shilts	Explains that the statute being repealed is obsolete and stresses that no one has requested this physical in the last twenty years. States that he knows of no opposition to SB 172.
099	Chair Brown	Closes the public hearing and opens a work session on SB 172.

SB 172 – WORK SESSION

- 103 Rep. Esquivel **MOTION: Moves SB 172 to the floor with a DO PASS recommendation.**
- VOTE: 7-0-0**
- 110 Chair Brown **Hearing no objection, declares the motion CARRIED.**
- REP. ESQUIVEL will lead discussion on the floor.**
- 111 Rep. Esquivel **MOTION: Moves SB 172 be placed on the CONSENT CALENDAR.**
- VOTE: 7-0-0**
- 114 Chair Brown **Hearing no objection, declares the motion CARRIED.**
- 115 Chair Brown Closes the work session on SB 172 and opens a work session on SB 386A.

SB 386A – PUBLIC HEARING

- 117 Janet Adkins Committee Administrator. Describes SB 386A relating to modifying the process for re-examination of a claim in which permanent total disability benefits are being paid and the criteria for termination of those benefits. Talks about the possible amendments being drafted.
- 136 John Shilts Administrator, Workers' Compensation Division. Submits written testimony in support of SB 386A (**EXHIBIT B**).
- 160 Shilts Talks about the definition of "gainful occupation/employment."
- 193 Shilts States that the reason for the two thresholds is because not everyone works full-time.
- 224 Shilts Discusses the rescinding of permanent/total disability benefits: what must be done in order to accomplish this aspect.
- 260 Shilts

Comments on the wage threshold that contemplates that the worker can make an honest wage while disabled.

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| 290 | Shilts | Says that the amendments being created address the recommendations of the Workers' Compensation Management-Labor Advisory Committee. |
| 317 | Rep. Schaufler | States his reasons for leaving the committee at this time: Budget Committee meeting. |
| 324 | Rep. Holvey | Expresses his concerns about the amount of examinations that can be required of a worker in all workers' compensation claims. Asks if a limit exists for the amount of examinations that are required. |
| 338 | Shilts | Stresses that three examinations can be required by the worker's insurer per case opening. |
| 359 | Rep. Holvey | States that often times there are several different insurers involved in a claim and workers can be required to go to nine or ten examinations. |
| 389 | Shilts | Remarks that during the last interim the Management Labor Advisory Committee took up the issue of the Independent Medical Examinations. |
| 403 | Jim Egan | Attorney, Oregon Trial Lawyers Association. Submits written testimony in support of SB 386A (EXHIBIT C). Declares that permanent total disability does not exist in Oregon anymore. |
| 450 | Egan | States that only Oregon and New York city, where the 9/11 Trade Center terrorist attacks resulted in 3000 murders, had deaths exceeding the number of catastrophic injuries (those injuries causing disability claims). |

TAPE 132, A

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| 021 | Egan | Declares their support for SB 386A. |
| 046 | Rep. Kitts | Commends the witness on his testimony and speaks in support of SB 386A. |

056	Chair Brown	Closes the public hearing on SB 386A. Recesses the meeting at 8:40 a.m. and calls the meeting back to order at 8:42 a.m. Opens the public hearing on SB 119A.
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SB 119A – PUBLIC HEARING

064	Janet Adkins	Committee Administrator. Describes SB 119A relating to authorizing the Director of the Department of Consumer and business Services to provide assistance directly to certain injured workers through the Reemployment Assistance Program. Submits the fiscal impact statement (EXHIBIT E) .
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076	John Shilts	Administrator, Workers' Compensation Division. Submits written testimony in support of SB 119A (EXHIBIT D) . States that workers want help finding a job and deciding what kind of work to pursue.
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111	Shilts	Describes how the preferred workers program works: provides incentives to employers in exchange for employing disabled workers.
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145	Shilts	Mentions the Management-Labor Advisory Committee's (MLAC) recommendations to make available to disabled workers the skills and resources to get a job.
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181	Shilts	Discusses the second part of HB 119A relating to the re-training program. States that if the administrative review decides that the worker is eligible while the insurance company decides that the worker is not eligible, appeals can be made. Stresses that the stay of benefits becomes available to the worker if the insurer appeals the decision. Explains that if the department's decision is overturned by the insurer then the money is reimbursed to the insurer. Informs the Committee that only four decisions have been overturned by appeal in the last three years.
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228	Rep. Shields	Asks if job placement is allowed for workers in the preferred workers program.
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232	Shilts	States that the Office of Vocational Rehabilitation Services at the Department of Human Services works with disabled individuals in order to provide this type of service.
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259	Rep. Holvey	Inquires about the cost per worker placed for this program.
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263	Shilts	
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States that the figures from the proposal that was developed with the Office of Vocational Services are \$3,000 per eligible worker.

277 Rep. Kitts Shares that this program is over \$600 more than the JOBS plus bill heard the other day.

288 Chair Brown Opens the work session on SB 119A.

SB 119A – WORK SESSION

289 Rep. Kitts **MOTION: Moves to RESCIND the MOTION to send SB 119A to the WAYS AND MEANS COMMITTEE and BE REFERRED to the committee on HOUSE BUDGET.**

VOTE: 7-0-0

297 Chair Brown **Hearing no objection, declares the motion CARRIED.**

298 Rep. Kitts **MOTION: Moves SB 119A WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on BUDGET.**

VOTE: 6-0-1

EXCUSED: Schaufler

(NOTE: Please see page 8, tape 133, A, of this tape log for Rep. Schaufler's vote.)

321 Chair Brown **The motion CARRIES.**

323 Chair Brown Closes the work session on SB 119A and opens a public hearing on SB 353A.

SB 353A – PUBLIC HEARING

324 Janet Adkins Committee Administrator. Describes SB 353A relating to modifying the disclosure statement required in instruments transferring or contracting to transfer the fee title to real property.

341 Harlan Levy Oregon Association of Realtors. Submits written testimony in support of SB 353A (**EXHIBIT F**).

399	Rep. Esquivel	Clarifies information on the disclosure statement and says that it will go into the deed itself. Notes that it has nothing to do with a realtor disclosure statement.
411	Levy	Concurs with Rep. Esquivel's statement.
419	Rep. Kitts	Commends Rep. Esquivel for the statement.
430	Chair Brown	Closes the public hearing and opens a work session on SB 353A.

SB 353A – WORK SESSION

433	Rep. Kitts	MOTION: Moves SB 353A to the floor with a DO PASS recommendation.
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VOTE: 6-0-1

EXCUSED: Schaufler

(NOTE: Please see page 8, tape 133, A, of this tape log for Rep. Schaufler's vote.)

444	Chair Brown	The motion CARRIES.
		REP. ESQUIVEL will lead discussion on the floor.

TAPE 131, B

016	Chair Brown	Closes the work session on SB 353A and opens a public hearing on SB 13A.
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SB 13A – PUBLIC HEARING

016	Caralyn Fischer	Committee Administrator. Describes SB 13A relating to extending the sunset clause on the law requiring the report by the Public Utility Commission to the Governor and Legislative Assembly on various matters relating to the telecommunications industry.
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034	Rep. Kitts	Clarifies that this applies to states where the commission may NOT impose recording requirements.
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047 Chair Brown Simultaneously opens the public hearings on SB 15 and SB 17A.

SB 13A, SB 15, SB 17A – PUBLIC HEARING

048 Sen. David Nelson Senate District 29. Speaks in support of SB 13A, SB 15, and SB 17A. Describes the necessity of passing these bills.

090 Sen. Nelson Talks about the fiber-optic network created in 1999 by US West.

130 Sen. Nelson Discusses the interim group put together to address improving access to healthcare in Oregon. Notes how telecommunication has enabled collaboration between doctors in different regions.

178 Rep. Kitts Asks about SB 13A and the testimony of Mr. Parker in regards to the extension of the sunset clause and the difference between it and SB 17A.

190 Sen. Nelson Replies with information on the different sunset clauses in the different bills.

197 Rep. Shields Notes that the council could be jeopardized by outside funding sources.

203 Sen. Nelson Agrees with Rep. Shield, but states that these individuals on the council spend their own money to attend meetings and events throughout the year because they care about what they're doing.

208 Rep. Kitts Talks about a *per diem* that would be given to the members.

247 Christopher Tamarin Oregon Economic and Community Development Department. Submits written testimony in support of SB 15 (**EXHIBIT H**).

268 Tamarin Discusses the established policy relating to the availability of broadband services to everyone in Oregon.

317 Rob Myers Oregon Telecommunication Coordinating Council (ORTCC). Speaks in support of SB 15. Describes the makeup of the council.

331 Rep. Kitts Expresses his concern about the length of the sunset clause.

354	Tamarin	States that the two bills deal with two separate issues. Declares that the sunset clauses were recommended by the council.
379	Rep. Kitts	Asks if the council knows the effectiveness of the telecommunication projects.
388	Tamarin	Replies that the council is made up of representatives from around the state who are knowledgeable of the most recent reports and documentation relating to the issues they address.
405	Rep. Kitts	States that the Universal Service Fund (USF) was set up to provide phones to the rural communities. Shares his concern that the fund is being used for purposes other than what it was created for (phone lines).
432	Tamarin	Agrees that the USF was created for basic phone services (not broadband). Declares that the two bills they are discussing here have nothing to do with the USF.

TAPE 132, B

001	Rep. Schaufler	Observes that five years for a sunset is not really that long of a time to adequately analyze the results.
009	Chair Brown	Talks about the vulnerability of sunsets. Stand at eases at 9:33 a.m. Reconvenes the committee at 9:36 a.m.
026	Cathy Brittan	Speaks in support of SB 17A.
030	Edwin Parker	Submits written testimony in support of SB 13A (EXHIBIT G).
053	Lee Beyer	Chairman, Oregon Public Utility Commission. Speaks in support of SB 13A, SB 15 and SB 17A.
081	Beyer	Talks about SB 15 dealing with the sunset clause on the ORTCC. Discusses SB 17A relating to taking a look at the telecommunication industry and the policies imbedded in statute during this interim.
110	Rep. Kitts	Asks about the USF not dealing with any of these bills.

118	Tamarin	States that the USF does not relate to SB 15 and SB 13A.
132	Rep. Kitts	Asks how the ORTCC will provide telecommunication services to undeveloped communities.
145	Tamarin	Stresses that the ORTCC creates policy recommendations. Admits that SB 17A will include a new recommended approach to the USF.
165	Rep. Kitts	Illustrates that the USF is designated for phone lines but this bill, and other bills, would broaden its uses and responsibilities. Proclaims that the money will then have to be raised elsewhere to provide for the original intent of the fund.
184	Beyer	Responds that Rep. Kitts' premise is correct and believes it is a discussion that the legislature needs to have. Talks about how the federal USF disperses its monies and notes that the federal mechanism will change in the future. Believes that it will be appropriate for the task force to look at the fund on a state level after the federal USF is altered.
216	Rep. Kitts	Inquires if the ORTC has a bill in the legislature that allow USF funds to be used to increase the availability of broadband services.
231	Brittan	Remarks that it is important to understand that the state USF is just a forum for discussion. Says that a senate bill (currently not in play) was introduced to change the way the USF receives and disperses the fund. Argues that dial tone is not a basic line of service as it was once considered.
297	Beyer	Declares that they are not opposed to exploring different funding sources and proclaims that many states are trying to get telecommunication services to rural areas. Talks about "voice over the internet protocol" technology.
341	Rep. Kitts	Explains his problem with the sunset extended for such a long period of time and talks about his concern with the USF being diluted.
371	Rep. Schaufler	Speaks in support of SB 13A, SB 15, and 17A. Stresses that the needs change; reports that he is more comfortable with the USF being used on telecommunications.
392	Beyer	Clarifies that the PUC manages the USF and statutorily it can only be used in telecommunication methods.

402	Rep. Shields	Asks what the percentage of rural areas in Oregon have access to broadband capabilities.
408	Beyer	States that he cannot recall the percentages. Recalls that there is a difference between the numbers inside the city and outside the city.
431	Rep. Shields	Wonders how rural areas are doing on such crucial economic issues.
441	Tamarin	Estimates that 80 percent of Oregon communities have access to broadband services.

TAPE 133, A

022	Jinny Ling	Qwest Communications. Speaks in support of SB 17A. Says that it is the ‘next step’ for the industry to work with the commission in addressing broadband issues.
040	Chair Brown	Closes the public hearing on SB 13A, SB 15, and SB 17A and opens a public hearing on SB 983.

SB 983 – PUBLIC HEARING

044	Caralyn Fischer	Committee Assistant. Describes SB 983 relating to directing the Public Utility Commission to adopt rules relating to the termination of local exchange residential telephone service that would significantly endanger certain persons.
056	Sen. Vicki Walker	Senate District 7. Testifies in support of SB 983.
077	Cheryl O’Neill	Executive Director, Womenspace. Testifies in support of SB 983.
100	O’Neill	Discusses several occurrences where domestic abuse victims did not have access to basic phone services.
142	Jeff Bissonette	Citizen’s Utility Board. Submits testimony and testifies in support of SB 983 (EXHIBIT I).
147	Denise Washington	Executive Director, Oregon Coalition Against Domestic and Sexual Violence. Submits testimony and testifies in support of SB 983 (EXHIBIT J).

156	Rep. Schaufler	Commends the witness for testifying on such an important issue.
168	Sybil Hebb	Oregon Law Center. Submits testimony and testifies in support of SB 983 (EXHIBIT K).
174	Chair Brown	Closes the public hearing and opens the work session on SB 983.

SB 983 – WORK SESSION

176	Rep. Kitts	MOTION: Moves SB 983 to the floor with a DO PASS recommendation.
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VOTE: 7-0-0

184	Chair Brown	Hearing no objection, declares the motion CARRIED. REP. SHIELDS will lead discussion on the floor.
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185	Chair Brown	Closes the work session on SB 983. Re-opens the work session on SB 119 and SB 353 for the purpose of allowing Rep. Schaufler to vote.
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SB 119 AND SB 353 – WORK SESSION

190	Rep. Shields	MOTION: Moves to SUSPEND the rules for the purpose of ALLOWING Rep. Schaufler to vote AYE on SB 119 & SB 353.
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VOTE: 7-0-0

(NOTE: Please see page 8, tape 133, A, of this tape log for the original vote.)

198	Chair Brown	Hearing no objection, declares the motion CARRIED.
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199	Rep. Schaufler	Votes Aye on both SB 119 and SB 353.
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204	Chair Brown	Closes the work sessions on SB 119 and SB 353 and opens a public hearing on SB 600A.
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SB 600A – PUBLIC HEARING

- 205 Caralyn Fischer Committee Administrator. Describes SB 600A relating to reorganizing and restating the telecommunications utility regulation law. Submits the –A2 amendment (**EXHIBIT L**).
- 232 Schelly Jensen Verizon. Testifies in support of SB 600A.
- 258 Lee Beyer Oregon Public Utilities Commission. Testifies in support of SB 600A.
- 280 Chair Brown Closes the public hearing and opens a work session on SB 600A.

SB 600A – WORK SESSION

- 282 Rep. Kitts **MOTION: Moves to ADOPT SB 600A-A2 amendments dated 3/28/05.**
- VOTE: 7-0-0**
- 285 Chair Brown **Hearing no objection, declares the motion CARRIED.**
- 287 Rep. Kitts **MOTION: Moves SB 600A to the floor with a DO PASS AS AMENDED recommendation.**
- VOTE: 7-0-0**
- 294 Chair Brown **Declares the motion CARRIED.**
- REP. KITTS will lead discussion on the floor.**
- 309 Chair Brown Closes the work session on SB 600A and opens a work session on SB 13A.

SB 13A – WORK SESSION

- 312 Rep. Kitts Recommends putting these bills on another agenda so Sen. Nelson can address the issues he may have.

324	Chair Brown	Explains that the Committee intends to work SB 13A, SB 15, and SB 17A on Friday May 20, 2005.
340	Chair Brown	Closes the work session on SB 13A. Adjourns the meeting at 10:25 a.m.

EXHIBIT SUMMARY

- A. SB 172, written testimony, John Shilts, 3 pp
- B. SB 386, written testimony, John Shilts, 3 pp
- C. SB 386, written testimony, James Egan, 5 pp
- D. SB 119, written testimony, John Shilts, 3 pp
- E. SB 119, fiscal analysis, staff, 1 p
- F. SB 353, written testimony, Harlan Levy, 2 pp
- G. SB 13, written testimony, Edwin parker, 1 p
- H. SB 15, written testimony, Christopher Tamarin, 2 pp
- I. SB 983, written testimony, Jeff Bissonette, 1 p
- J. SB 983, written testimony, Denise Washington, 2 pp
- K. SB 983, written testimony, Sybil Hebb, 2 pp
- L. SB 600, -A2 amendment, staff, 1 p