

**HOUSE JUDICIARY COMMITTEE**

**June 23, 2005 Hearing Room 357**

**8:30 A.M. Tapes 70 - 73**

**MEMBERS PRESENT:       Rep. Wayne Krieger, Chair**

**Rep. Greg Macpherson, Vice-Chair**

**Rep. Andy Olson, Vice-Chair**

**Rep. Bob Ackerman**

**Rep. Jeff Barker**

**Rep. Linda Flores**

**Rep. Bill Garrard**

**Rep. Kim Thatcher**

**Rep. Kelley Wirth**

**GUEST MEMBER:       Sen. Roger Beyer**

**Sen. Ginny Burdick**

**Sen. Vicki Walker**

**STAFF PRESENT:       Heidi Moawad, Counsel**

**Bill Taylor, Counsel**

**Elizabeth Howe, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**SB 239 – Work Session**

**SB 392 – Work Session**

## HB 2485 – 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 70, A

002	Chair Krieger	Calls the meeting to order at 8:50 a.m. Welcomes the Senators that have joined the committee. Opens a work session on SB 239, which modifies lists of protected classes in civil rights law.
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### SB 239 – WORK SESSION

011	Rep. Macpherson	<b>MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SB 239.</b>
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**VOTE: 7-0-2**

**EXCUSED: 2 - Garrard, Wirth**

015	Chair Krieger	<b>Hearing no objection, declares the motion CARRIED.</b>
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017	Rep. Macpherson	<b>MOTION: Moves to RECONSIDER the vote by which SB 239 was sent to the floor with a DO PASS recommendation.</b>
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**VOTE: 8-0-1**

**EXCUSED: 1 – Wirth**

021	Chair Krieger	<b>Hearing no objection, declares the motion CARRIED.</b>
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022	Rep. Macpherson	<b>MOTION: Moves to ADOPT SB 239-1 amendments to resolve conflicts dated 6/20/05.</b>
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025	Bill Taylor	Counsel. Describes the -1 conflict amendments ( <b>EXHIBIT A</b> ).
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**VOTE: 8-0-1**

**EXCUSED: 1 - Wirth**

**038      Chair Krieger      Hearing no objection, declares the motion CARRIED.**

**040      Rep. Macpherson      MOTION: Moves SB 239 to the floor with a DO PASS AS AMENDED recommendation.**

**VOTE: 8-0-1**

**EXCUSED: 1 - Wirth**

**045      Chair Krieger      Hearing no objection, declares the motion CARRIED.**

**REP. ACKERMAN will lead discussion on the floor.**

**048      Chair Krieger      Closes work session on SB 239. Opens a work session on SB 392, which provides that if person slays other person, property that would have passed from heir or devisee of decedent to slayer, whether by intestate succession, by will or by trust, passes and vests as if slayer had predeceased decedent unless heir or devisee specifically provides otherwise by will or other instrument executed after death of decedent.**

**SB 392 – WORK SESSION**

**050      Rep. Macpherson      MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SB 392.**

**VOTE: 8-0-1**

**EXCUSED: 1 - Wirth**

**052      Chair Krieger      Hearing no objection, declares the motion CARRIED.**

**054      Rep. Macpherson      MOTION: Moves to RECONSIDER the vote by which SB 392 was sent to the floor with a DO PASS recommendation.**

**VOTE: 8-0-1**

**EXCUSED: 1 - Wirth**

060	Chair Krieger	Hearing no objection, declares the motion <b>CARRIED</b> .
062	Rep. Macpherson	<b>MOTION: Moves to ADOPT SB 392-1 amendments to resolve conflicts dated 6/21/05.</b>
064	Bill Taylor	Counsel. Describes the -1 amendments ( <b>EXHIBIT B</b> ).
		<b>VOTE: 8-0-1</b>
		<b>EXCUSED: 1 - Wirth</b>
084	Chair Krieger	Hearing no objection, declares the motion <b>CARRIED</b> .
085	Rep. Macpherson	<b>MOTION: Moves SB 392 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 8-0-1</b>
		<b>EXCUSED: 1 - Wirth</b>
090	Chair Krieger	Hearing no objection, declares the motion <b>CARRIED</b> .
		<b>REP. MACPHERSON will lead discussion on the floor.</b>
094	Chair Krieger	Closes work session on SB 392. Opens a work session on HB 2485.

**HB 2485 – WORK SESSION**

101	Heidi Moawad	Counsel. Describes the -3 amendments ( <b>EXHIBIT C</b> ) and the -4 amendments ( <b>EXHIBIT D</b> ) to HB 2485, regarding methamphetamine.
159	Moawad	Continues description of the amendments.
174	Sen. Vicki Walker	Senate District 7. Inquires whether the minor changes are in both the -3 and the -4 amendments.
180	Moawad	Responds affirmatively.
182	Sen. Walker	

Inquires which bill hold the food stamp issue, and if concerns were addressed.

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| 185 | Moawad               | Responds that HB 2485 does contain the food stamp issue. Explains the primary difference between the Department of Human Services (DHS) amendments, and the amendments being considered today, that children must be considered in restricting food stamps.                  |
| 213 | Jim Anderson         | Director of Product Safety and Performance, Schering-Plough HealthCare Products. Submits written testimony ( <b>EXHIBIT E</b> ).   |
| 225 | Dr. Suman Wason      | Wyeth Consumer Health Care. Acknowledges the meth problem. Agrees that single-entity form of pseudoephedrine should be restricted. Supports the -4 amendments. Urges committee to give the BOP the choice to restrict the drug further if necessary.                         |
| 255 | Dr. Steven Hermansky | Schering-Plough. Discusses the difficulty producing methamphetamine (meth) with expensive, multi-ingredient pseudoephedrine products, and the impact of making these products Schedule 3. Testifies in support of the -4 amendments, and in opposition to the -3 amendments. |
| 323 | Sen. Walker          | Inquires about shipping from large factories, and if destinations are tracked by the federal government.   |
| 333 | Dr. Wason            | Responds that he will have to get that information at a later date.  |
| 334 | Dr. Hermansky        | Responds that he cannot answer to the federal requirement. States that shipments have electronic sensing devices, and 80 percent of stores have those tracking devices.  |
| 348 | Sen. Walker          | Inquires if that is unusual for a pharmaceutical product company.  |
| 352 | Dr. Suman            | Relates that some companies only put them on the products with high theft patterns.  |
| 356 | Sen. Walker          | Asks if the company would be opposed to tracking where products go.  |
| 369 | Dr. Hermansky        | States that thought there is no federal requirement, but relates that all shipments are tracked, and suspicious ones are investigated.   |

382	Rep. Macpherson	Addresses the Schedule 3 prescription piece that can be reversed if there is no reduction in meth labs.
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**TAPE 71, A**

014	Anderson	Questions how the statistics are received by the Board of Pharmacy (BOP) to reverse the decision.
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030	Dr. Suman	Adds that the BOP should have the discretion to put items behind the counter if they are proven to be used in illicit drugs.
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035	Rep. Macpherson	Comments that the party wanting the drug to be more available would do the research to indicate that the rule effected no change.
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043	Dr. Hermansky	States that there is no proof that their products are being used in meth labs, so it would be difficult to show that it was less than no problem.
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056	Rep. Macpherson	Clarifies that the Schedule 3 designation could be removed if the overall number of meth labs were not reduced.
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063	Dr. Hermansky	Comments on the lumping of products and data that confuses the issues.
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072	Anderson	Suggests that the pharmaceutical company be allowed to petition the BOP with proof that making pseudoephedrine Schedule 3 has had no effect on meth labs, and have all schedules removed from the drug and have it placed behind the counter.
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092	Jennifer Hawks Bland	Consumer Healthcare Products Association (CHPA). Submits written testimony ( <b>EXHIBIT F</b> ) and testifies in opposition to the -3 amendments.
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143	Lis Houchen	National Association of Chain Drug Stores (NACDS). Testifies in support of funding for the state police. Suggests sales restrictions on wholesalers. Testifies in opposition to the -3 amendments. Comments on the bill restricting the BOP from exempting any products.
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201	Sen. Ginny Burdick	Senate District 18. Questions research that concluded that over the counter medicines save the economy \$5000 a year. Inquires if alternatives to pseudoephedrine are included in statistics.
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211	Hawks Bland	Responds that the statistic includes all cough/cold products.
216	Sen. Burdick	Clarifies that the savings were not focused only on pseudoephedrine. Emphasizes the cost of the meth epidemic on society. Questions whether there is a way to conclude that the lack of availability of pseudoephedrine would have an affect on those savings.
230	Hawks Bland	States that the study considered factors and alternatives to cough/cold medicine.
241	Sen. Burdick	Inquires how CHPA can argue that there is a loss when there are equivalent alternatives.
248	Hawks Bland	Responds that the alternatives are not widely available.
253	Sen. Burdick	Believes most asthma sufferers are connected with a doctor and could call the doctor to have a prescription written without an appointment.
265	Hawks Bland	Responds that some asthmatics have emergencies, and an emergency room visit can be prevented with pseudoephedrine.
270	Sen. Walker	Addresses the benefits of having pseudoephedrine in airport gift shops.
281	Hawks Bland	States that airport gift shops would no longer be able to carry pseudoephedrine products under the -3 amendments.
290	Sen. Walker	Inquires if the Federal Drug Administration (FDA) approval takes a very long time.
296	Hawks Bland	States that it can take two to three years for FDA approval, and 12-15 years to create a new drug.
300	Sen. Walker	Addresses Washington State law on limiting wholesale distributors, and the need for more troopers.
325	Houchen	Responds that there has been a significant decrease in local labs in Washington after limitations on wholesalers. Relates that wholesalers in Washington State must be licensed.

352	Rep. Barker	Inquires what a significant reduction is in Washington.
355	Houchen	States that she does not have the information with her.
364	Moawad	Inquires if phenylephrine decongestant products would be in airport shops.
368	Hawks Bland	Responds affirmatively.
370	Moawad	Comments that Section 12 gives the BOP time to enact all rules required in -3 amendments, and Section 13 requires current rule to stand until new rules are enacted.
395	Rep. Thatcher	States that she prefers pseudoephedrine products to phenylephrine.
415	Rob Bovett	Legal Counsel, Oregon Narcotics Enforcement Association (ONEA). Submits DEA study on pseudoephedrine and meth ( <b>EXHIBIT G</b> ).

**TAPE 70, B**

035	Bovett	Explains that McNeil Pharmaceuticals used the wrong techniques to extract meth from pseudoephedrine products. Urges the committee to pass the -3 amendments.
066	Craig Durbin	Lieutenant, Oregon State Police. States that Oregon is on the forefront of meth legislation. Relates the effects of the temporary rule that put pseudoephedrine products behind the pharmacy counter.
102	Durbin	Emphasizes that multi-ingredient products, liquids and gel caps should be treated the same as other pseudoephedrine products.
122	Durbin	Relates that the meth cooks found a way around the temporary rule and the labs increased again after a few months.
165	Durbin	Addresses consumer options. Relates that Johnson and Johnson supports putting all pseudoephedrine products behind the counter, and does not oppose prescription only.
207	Lori Knops	Washington State Patrol, Marysville Crime Laboratory. Presents Methamphetamine Manufacture From Cold and Allergy Medications



Containing Pseudoephedrine in Multi-Ingredient, Liquid and Softgel Preparations.

258 Knops Reviews extraction process for five types of pseudoephedrine products.

347 Knops Continues review of extraction procedures, concluding that all products can be used to easily and quickly extract meth.

#### **TAPE 71, B**

009 Knops Addresses arguments raised for exemption of preparations.

029 Rep. Thatcher Inquires what the current BOP rule is.

033 Durbin States that the temporary rule placed single entity ingredients behind pharmacy counters, and multi-ingredient products behind store counters, with photo ID required. After May, the permanent rule added a 9gram buying limit, and a log for buyers.

045 Rep. Thatcher Inquires what product was being used when meth manufacturing increased.

050 Durbin States that multi-ingredient products were being used. Notes that cooking liquid pseudoephedrine is a new trend.

059 Bovett Relates that Oregon has had a 50 percent reduction, and Oklahoma has had a 70 percent reduction, while Washington has had only a seven percent reduction in the number of meth labs.

066 Rep. Barker Inquires whether intention is to make all pseudoephedrine products Schedule 3.

070 Durbin Responds affirmatively. Relates that they have been Schedule 2, and making it Schedule 3 would remove the burden of maintaining logs. Explains that without the log, putting them behind pharmacy counters was ineffective.

085 Rep. Barker Inquires if other states have made pseudoephedrine Schedule 3.

086	Durbin	Responds negatively, that Oregon would be the first. Notes that other states are applauding Oregon, and looking to Oregon as an example. Emphasizes that meth labs are the target.
104	Rep. Olson	Asks for a better picture of the difference in percentage of yield of product between hard tablets and gel caps.
110	Bovett	States that his testimony ( <b>EXHIBIT G</b> ) shows the yield of different products.
118	Burdick	Questions whether the studies in Washington State conform to this yield.
121	Knops	States that the Washington State lab did not perform a quantitative study, they only determined whether the products would produce meth.
124	Rep. Macpherson	Questions whether there is a system for accumulating and tracking log information.
128	Durbin	States that iodine is tracked based on percentages and amounts, and the forms are put in a case management system, and the same can be done with laws on sales of pseudoephedrine.
157	Sen. Walker	Inquires if TheraFlu should be available by prescription only.
161	Knops	Responds that the results show that the product converts to pure meth.
169	Durbin	States that if there is a product available to convert to meth, there will be meth in our communities. Adds that companies are turning to phenylephrine products, so an alternative is available.
188	Sen. Walker	Questions whether someone possessing the drug without a prescription would be breaking the law.
195	Bovett	Responds affirmatively, if a person possessed a new box after the effective date of the new law. Mentions that there could be an <i>ex post facto</i> argument if they buy it before the law takes effect.
210	Sen. Walker	Questions why wholesalers are not licensed in Oregon.

221	Durbin	Suggests that the BOP address licensing wholesalers, though it has little impact on meth labs. States that the DEA requires wholesalers to register to sell pseudoephedrine.
247	Rep. Flores	Inquires if phenylephrine might be the next product to use for drugs.
260	Knops	Explains that phenylephrine is chemically different, and cannot convert to meth. States that there have been no studies to show what kind of drug can be produced from phenylephrine.
274	Rep. Flores	Inquires if there has been analysis to determine the impact on the uninsured, low income individuals seeking medicine.
288	Bovett	Responds that he has no data to respond. Predicts that in a couple years it will be difficult to get pseudoephedrine products anywhere.
297	Durbin	Relates that an undisclosed company told him that all their products are being converted to phenylephrine.
305	Rep. Flores	Inquires about the provision in the -4 amendments for recordkeeping.
309	Bovett	Responds that the -4 amendments require a log for pseudoephedrine products that is already required in rule.
315	Rep. Flores	Inquires how the recordkeeping in the -4 amendments differs from that in the -3 amendments.
319	Bovett	Responds that the recordkeeping for a Schedule 3 drug is different than that required in the -4 amendments. Notes that the BOP will discuss the recordkeeping issue.
320	Moawad	Addresses Oregon Health Plan issue of above the line and below the line products.
328	Rep. Macpherson	Explains that the conditions addressed by pseudoephedrine products are below the line, which would mean prescriptions would not be covered.
337	Sen. Walker	

States that the concern is that low income individuals do not have the means to purchase cold products.

- 355 Chair Krieger Inquires how to equate and evaluate the inconvenience and costs to those same poor people and children that would remain exposed to meth labs. Believes that saving the children is more important.
- 386 Sen. Beyer Seeks clarification that pseudoephedrine products should be behind the pharmacy counter.
- 400 Sen. Walker Clarifies that multi-ingredient products should be behind the counter with a log, and single ingredient pseudoephedrine products available by prescription.

#### **TAPE 72, A**

- 005 Sen. Burdick Relates that evidence shows that there is no scientific basis for distinguishing one product from another, because pseudoephedrine can be extracted from all products and then converted into meth.
- 014 Sen. Walker Inquires when the temporary rule was in effect. Questions whether the implementation affected the number of meth labs.
- 020 Bovett Explains that the temporary rule was in effect November 2004 to May 2005, then a permanent rule was put into effect with more aggressive rules after the number of labs increased again. Notes that Iowa implemented the full Oklahoma rule, plus gel caps and liquids.
- 032 Sen. Walker Inquires how we know if the latest rule has been effective, if it has not been in effect long enough to perform studies.
- 039 Bovett Explains that we do have information to show that it works, not only from our experience, but from that of other states.
- 050 Durbin Relates the study that determined what meth costs the community: every single person pays over \$300 a year and each cook costs \$19,000 to the community. States that the cost to the community and the children far outweighs the inconvenience to the individual.
- 069 Rep. Thatcher Inquires whether Oklahoma put liquid and gel caps behind the counter.

072	Durbin	Responds that liquid and gels were not being used to make meth when Oklahoma implemented its law.
075	Rep. Thatcher	Questions whether the labs in Oklahoma are increasing now because liquids and gels can be used to make meth.
079	Bovett	States that Oklahoma meth cooks have not figured out how to use liquid and gel caps.
084	Durbin	Explains that meth cooks are just starting to show up on the east coast, but Oregon has had them here for 20 years. Relates that there is an internet site that tracks changes to rules and new cooking methods.
099	Rep. Thatcher	Inquires how many labs are using liquids and gels.
105	Durbin	States that there are not many now, but more cooks will start cooking with them if they are all that is available.
115	Rep. Ackerman	Addresses effectiveness of the alternatives in the -4 amendments. Inquires whether prescription tracking system could be used to track pseudoephedrine products behind the pharmacy counter.
129	Durbin	Suggests asking the BOP. Describes a bill previously considered that put into place a computerized system for paying management.
134	Rep. Ackerman	Believes there is a computerized system that tracked all sales of prescription drugs.
140	Moawad	Asks if there is authority in the law for handwritten logs to be computerized. Notes that a bill addressing an electronic database for pseudoephedrine sales is not currently set for a hearing. States that the law would be needed to computerize the written logs.
150	Bovett	Defers to the BOP.
155	Durbin	States that while the ability is available, it is very cumbersome. States that point-of-sale would be a problem, and employees would be overworked.
168	Rep. Barker	Expresses concerns about a 7-11 clerk accessing personal information.

177	Durbin	States that only pharmacy counters, not convenience store counters, will have computerized access to logs.
183	Rep. Flores	Questions difference between hand-written logs or electronic logs.
191	Bovett	States that Mr. Rice from the BOP is going to address that issue.
197	Rep. Ackerman	Comments on record keeping in the -4 amendments.
203	Durbin	Explains that logs without prescription, without a computerized system, would be inefficient. Reiterates that without electronic capability, Schedule 3 is the best way.
218	Rep. Thatcher	Inquires whether putting everything behind the counter should be the first step, rather than making it all Schedule 3.
226	Bovett	Explains that we need to be aggressive in preventing meth labs.
242	Durbin	States that this law is helping stop meth labs, which frees up law enforcement to stop traffickers.
265	Chair Krieger	Inquires whether imported meth is being used by younger kids.
272	Durbin	Responds that it is difficult to say where the meth is coming from.
300	Craig Prins	Addresses economic incentive of pharmacy companies. Comments on expense of cleaning up a meth house: \$20,000 per house/lab, which then gets boarded up and used for criminal activity.

**TAPE 73, A**

006	Prins	Explains that the Realtor Association in Keizer has decided to buy meth houses to decontaminate them. States that the reasons to be aggressive outweigh the reasons to be cautious.
020	Blake Rice	Board of Pharmacy (BOP). Submits schedule of controlled substances ( <b>EXHIBIT H</b> ), frequently asked questions about Sudafed ( <b>EXHIBIT I</b> ), and the Pharmacist's Manual ( <b>EXHIBIT J</b> ). States that the -3 amendment is the cleanest way for the BOP to address the issue.

066	Craig Campbell	Governor's Senior Policy Advisor. Urges support for HB 2485 with the -3 amendments. Thanks the workgroup members for their work. Addresses the problem of meth labs, and what it costs the state. Urges the committee to cut into the 35 percent of meth production by stopping meth labs.
101	Campbell	Explains that meth cooks are ahead of the state, and we must get ahead of the meth cooks to stop them.
120	Sen. Walker	Comments on the federal government's involvement in the issue. Questions why we are not doing what Oklahoma is doing, rather than making pseudoephedrine Schedule 3.
153	Campbell	Explains that the report she is reading is from the temporary rule, not the permanent rule currently in effect. Explains why Oregon should go further than Oklahoma.
174	Sen. Walker	Inquires why Oregon does not license wholesalers.
180	Rice	Responds that the earlier statement was wrong. Oregon does require that wholesalers be licensed with the state. Explains that wholesale outlets could not sell the drug if it were Schedule 3.
192	Sen. Walker	Reads from Washington State law, which requires wholesalers to track their sales.
202	Rice	Responds that the DEA does track sales. Explains that currently, the requirements are not difficult.
215	Sen. Walker	Questions where the accountability is for wholesalers. Encourages the BOP to look at Washington State law regarding wholesalers.
226	Chair Krieger	Inquires why it would be unusual or wrong for Oregon to move ahead of other states.
233	Sen. Walker	Explains that this particular issue is of concern, because she does not believe the distribution of the drug is being controlled.
240	Prins	Relates that Oregon and other states are looking at the meth issue because an Oklahoma trooper was killed by a meth addict on video. Believes Oregon should be on the forefront.

264	Sen. Burdick	Inquires what percentage of people would find phenylephrine adequate.
274	Rice	States that most patients buy the phenylephrine product, and not one has returned it for ineffectiveness. Adds that he has not heard of a congestion emergency, as congestion is common and happens slowly. States that with multi-ingredient drugs, the most effective ingredient cannot be pinpointed.
303	Sen. Burdick	Inquires what the shelf-life is on the pseudoephedrine products.
310	Rice	Responds that shelf-life is generally a couple years.
313	Sen. Burdick	Questions whether it would be possible to get a two year supply with one doctor visit.
318	Rice	Responds affirmatively. Adds that a doctor's visit is only required once, and the pharmacy gets refill orders from the doctor.
328	Sen. Burdick	Clarifies that for the few that need pseudoephedrine rather than phenylephrine, they will need only one visit, then a phone call for refill.
335	Rep. Ackerman	Inquires about the cost to pharmacies to keep a log.
343	Rice	Relates that the biggest problem is that it is onerous on the pharmacy to keep the record. Believes many pharmacies are not stocking products that require a record.
361	Rep. Ackerman	Remarks that federal law requires pharmacists to obtain information on individuals filling a prescription, and the pharmacies already have a system set up to track the information. Inquires whether the pharmacy industry of Oregon will accept the small cost of including pseudoephedrine products in their tracking system.
375	Rice	States that the pharmacies would support the -3 amendments, as the information is already being collected for prescription medicines, while the -4 amendments would require additional paperwork where it is unnecessary.



387	Rep. Ackerman	Inquires if the pharmacies would be willing to accept the burden of additional paperwork to fight meth.
395	Rice	Expresses hope that they will.
403	Rep. Flores	Expresses concerns with the lack of discussion on the impact of low income individuals. Inquires how far out the federal program is.
420	Prins	Agrees that there is a balance to be found as to how to keep medicines available to low-income families. Believes the low-income families are being most affected by meth. Comments on the federal plan and diverted pseudoephedrine from Canada and Mexico.

**TAPE 72, B**

032	Rep. Thatcher	Inquires if the BOP could choose to mandate a requirement to include making pseudoephedrine prescription.
036	Rice	Responds that the BOP cannot schedule a drug, but they can make a drug available by prescription.
044	Prins	Comments on drug schedule. Relates that federally, pseudoephedrine is not a controlled substance. In Oregon, under current rule pseudoephedrine is Schedule 2, with an exemption for over-the-counter drugs. Describes his understanding of the rule in the -4 amendments.
070	Rep. Thatcher	Inquires how long it would take to make pseudoephedrine available by prescription only.
074	Rice	Responds that it would take at least 180 days.
<b>078</b>	<b>Rep. Macpherson</b>	<b>MOTION: Moves to ADOPT HB 2485-3 amendments dated 6/22/05.</b>
080	Rep. Macpherson	Explains that he believes the -3 amendments take necessary bold action against the meth scourge.

**VOTE: 9-0-0**

- 083            Chair Krieger            Hearing no objection, declares the motion **CARRIED**.
- 084            Rep. Macpherson        **MOTION: Moves HB 2485 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED and BE REFERRED to the committee on Budget.**
- 093            Rep. Thatcher            Notes that she prefers the -4 amendments.
- VOTE: 9-0-0**
- AYE:            In a roll call vote, all members present vote Aye.**
- 103            Chair Krieger            The motion **CARRIES**.
- (Note: Rep. Barker, Rep. Flores, Rep. Thatcher, and Rep. Wirth offer courtesy votes.)
- 104            Chair Krieger            Closes work session on HB 2485. Adjourns the meeting at 11:42 a.m.

### **EXHIBIT SUMMARY**

- A. SB 239, -1 amendments, staff, 3 pp
- B. SB 392, -1 amendments, staff, 2 pp
- C. HB 2485, -3 amendments, staff, 25 pp
- D. HB 2485, -4 amendments, staff, 25 pp
- E. HB 2485, written testimony, Steve Hermansky, 2 pp
- F. HB 2485, written testimony, Jennifer Hawks Bland, 2 pp
- G. HB 2485, written testimony, Rob Bovett, 4 pp
- H. HB 2485, written testimony, Blake Rice, 4 pp
- I. HB 2485, frequently asked questions, Blake Rice, 1 p
- J. HB 2485, Pharmacist's Manual, Blake Rice, 71 pp

### **HOUSE COMMITTEE ON** **INFORMATION MANAGEMENT AND TECHNOLOGY**

**March 15, 2005    Hearing Room 357**

**1:00 P.M. Tapes 25 - 26**

**MEMBERS PRESENT:**           **Rep. John Dallum, Chair**

**Rep. Jerry Krummel, Vice-Chair**

**Rep. Kelley Wirth, Vice-Chair**

**Rep. Chuck Burley**

**Rep. Brad Witt**

**STAFF PRESENT:**           **Dallas Weyand, Committee Administrator**

**Louann Rahmig, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**High Performance Computing Briefing – Informational Meeting**

**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.**

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
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**TAPE 25, A**

003	Chair Dallum	Calls the meeting to order at 1:00 p.m. Introduces the high school students from Mitchell, Oregon, attending the committee meeting as guests. Opens the informational meeting on high performance computing briefing.
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**HIGH PERFORMANCE COMPUTING BRIEFING – INFORMATIONAL MEETING**

015	Brian Wornath	LCN Media & Consulting Group. Announces that he represents the Oregon High Performance Computing Consortium. Distributes hard
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copy of *General Proposal for Establishing an Oregon High Performance Computing Infrastructure* PowerPoint presentation **(EXHIBIT A)**. Begins the presentation with an overview and the goals of developing a supercomputing resource in Oregon.

055	Wornath	Provides an explanation of supercomputing and who would use it.
074	Wornath	Describes the old-style, traditional, single-purpose computer called a “monolith.”
088	Wornath	Discusses types of supercomputers. Refers to case studies in <b>EXHIBIT A, Page 14</b> .
117	Wornath	Discusses how much unused computing time is available after regular office hours, creating an affordable and powerful computing “grid.”
149	Wornath	Continues with justification to develop affordable high performance computing resources within Oregon.
184	Wornath	Proposes to create a state resource that markets the unused capacity and the accompanying consulting services, offering “one-stop shopping” for high-performance computing.
216	Wornath	Outlines sources for general initial capitalization. States that earnings from operations would come from leasing affordable high-performance computing time.
237	Wornath	Shows comparison of estimated financial scenarios <b>(EXHIBIT A)</b> .
313	Wornath	Discusses the percentage of return and cost per year of operating a computer grid.
381	Wornath	Suggests implementing a pilot project to determine the best technical solution. Displays the estimated pilot profitability.

#### **TAPE 26, A**

019	Wornath	Discusses a possible organizational structure similar to an Oregon high-performance computing consortium. Continues with explanation of challenges.
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069	Wornath	Has spoken with Chief Information Officers around the state, who believe the concept is good.
083	Wornath	Summarizes by stating that the technology is proven, can easily be applied to numerous applications and uses, and is easily expandable.
121	Chair Dallum	Asks about the “down side.”
125	Wornath	Responds that information technology people will say this is a very specialized area. Believes that ideally the universities and the state would co-develop a pilot program.
148	Chair Dallum	Inquires if this concept is attractive to private enterprise.
155	Wornath	Replies, it is. Continues that there are certain niches that don’t have the financial resources to take on a project such as this. Cites examples of researchers who believe they can use.
192	Chair Dallum	Asks what proposed legislation should look like.
196	Wornath	Answers that funding for a pilot project could be requested.
227	Rep. Burley	Inquires what is preventing us from using this now.
233	Wornath	Responds, nothing. Indicates from a financial standpoint, it is best to consolidate and not have many small clusters.
261	Rep. Burley	Refers to the case studies in <b>EXHIBIT A</b> that were mostly done by private corporations. Comments that if we were going to use public resources, that is a different set of circumstances particularly since we are concerned with security issues.
270	Wornath	Agrees. Offers to provide more up-to-date information. Reports on other states that are doing this for economic development.
313	Rep. Burley	States that the corporate environment is more controlled than ours as we have computers all across the state. Asks how we would insure security.
323	Wornath	Agrees that some environments are better suited than others.

329	Rep. Krummel	Asks if setting something like this up in the new data center might generate the dollars to pay for it.
338	Wornath	Replies, absolutely. Reports that high performance computing is being done on a limited basis at the Oregon State University Oceanic School.
404	Rep. Krummel	Asks if there have been discussions with the Department of Administrative Services (DAS) or other privately owned data centers to see if there is an interest.
416	Wornath	Has spoken with DAS and some small companies affiliated with academics.
439	Rep. Witt	Inquires if one has to be a participant in the network to be able to utilize supercomputing capacity.

**TAPE 25,  
B**

011	Wornath	Responds, yes, for security reasons. States that the criteria needs to be identified in the business model.
020	Rep. Witt	Asks if he is aware of any claims in other states that there is not equal access.
025	Wornath	Answers that he has not heard of any.
027	Rep. Wirth	Inquires if anyone has expressed an interest in helping finance a pilot study.
032	Wornath	Replies, absolutely.
038	Rep. Wirth	Asks how much private money might be available.
046	Wornath	Replies that there is interest, and some medical schools are trying to lure grants. Believes discussions with interested parties to determine how much money is available would be needed.
069	Rep. Wirth	

		Inquires if other states have included some public financing, and how far along they are in the process.
077	Wornath	Answers, it varies.
089	Wanda Brennan	High School Science Teacher, Mitchell, Oregon. Cites problems of areas with limited internet access. Asks how high-performance computing will benefit them.
096	Wornath	Responds that not all rural areas will receive the same amount of benefit; however, areas with community colleges perhaps can provide access.
140	Chair Dallum	Closes the informational meeting on high performance computing and adjourns the meeting at 2:08 p.m.

## **EXHIBIT SUMMARY**

- A. High Performance Computing Infrastructure, General Proposal for Establishing, printed copy of PowerPoint presentation, Brian Wornath, 67 pp**