

HOUSE COMMITTEE ON

• TRADE AND ECONOMIC DEVELOPMENT

February 14, 2005 Hearing Room 343

8:30 A.M.am Tapes 24 - 25

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Scott Bruun, Vice-Chair

Rep. Donna Nelson

Rep. Chuck Riley

Rep. Peter Buckley

Rep. John Dallum

MEMBER EXCUSED:

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

Regulatory Streamlining - Informational Meeting

HB 2175 - Public Hearing

Introduction of Committee Measures - 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 24Tape, A

004	Chair Lim	Opens the meeting at 8:33 a.m. Opens an informational meeting on regulatory streamlining.
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REGULATORY STREAMLINING - INFORMATIONAL MEETING

017	Patrick Allen	Manager, Office of Regulatory Streamlining (ORS), Department of Consumer and Business Services. Submits written testimony (EXHIBIT A) . Summarizes the history, purpose and functions of the Office of Regulatory Streamlining.
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041	Allen	Submits ORS Report to the Governor, 2004 (EXHIBIT B) , Report on Agency Rule Streamlining (EXHIBIT C) , ORS Legislative Agenda (EXHIBIT D) , and ORS Streamlining Summary (EXHIBIT E) . Highlights several of the streamlining projects that state agencies have completed, currently working on, or are considering implementing.
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060	Allen	Reviews the contents of the ORS Report to the Governor, 2004. Summarizes the results of the business climate survey and explains the online license directory and the information that it provides about licensing requirements, fees and tests.
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104	Allen	Speaks to the problem of “cumulative impacts” of regulations. Cites the 12 different state agencies that convenience stores are regulated by as an example of a small business that feels the “cumulative impacts” of regulations. Explains a pilot project involving that involves the streamlining of licenses to convenience stores by issuing them in combination.
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137	Allen	Reviews the instructions given to agencies on how to create new or expand existing regulations and drafting administrative rules.
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157	Allen	Explains the 37 bills that comprise state agencies' regulatory streamlining legislative package. Speaks specifically to HB 2094 and HB 2095.
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195	Allen	Clarifies the functions and responsibilities of a notary public with regards to the issuance of state licenses.
201	Rep. Dallum	Asks what the timeline is on the licensing pilot project and when can store owners expect the implementation of the new licensing system.
213	Allen	States that the pilot project is scheduled to begin in April with completion and assessment anticipated by early fall 2005.
247	Rep. Dallum	Asks what problems would potentially make a systemwide change unfeasible.
251	Allen	Explains that it is part problem and part caution because before implementation is considered there is a need to assess business satisfaction with the system and where it is helping them.
288	Rep. Nelson	Asks about the opportunity for the regulatory clients to evaluate the agency.
314	Allen	Addresses the purpose of the business climate survey, noting that individual clients were not asked to evaluate the agency for the business climate survey.
383	Chair Lim	Inquires about where the ideas for regulatory streamlining develop with the consumer, agency, or business.
393	Allen	Identifies the variety of sources that develop ways to streamline agency administrative rules.

TAPE 25, A

012	Chair Lim	Asks how does the ORS control or prevent state agencies from developing new or more expansive regulatory measures.
017	Allen	Explains why the states agencies have been advised that The Governor would not support bills that would expand or create new regulations unless they met a necessity threshold.
071	Rep. Nelson	Asks if there is a plan to get into the administrative rulemaking and eliminate many of the process burdens.

079	Tom Gallagher	Regulatory Streamlining Committee, ORS. States that HB 3120, passed during the 2003-04 legislative session, created an advisory committee that dealt specifically with the process of administrative rulemaking from 2003-2004.
121	Gallagher	Explains the fundamental practice and purpose associated with regulating state agencies and the practical problems with regulatory streamlining. Reviews the committee findings and recommendations in the Report on Agency Rule Streamlining (EXHIBIT B).
142	Gallagher	Comments how there are no positive incentives or externalities pushing agencies to streamline and become more effective.
151	Gallagher	Explains why streamlining is expensive to an agency.
164	Gallagher	Summarizes how regulatory streamlining could lower the cost of executing state regulations.
191	Gallagher	Identifies the biggest problems associated with moving forward on regulatory streamlining.
249	Gallagher	Reviews the 6 conclusions reached by the advisory committee (EXHIBIT C).
289	Rep. Nelson	Asks for data regarding the statement that “agency goals are well supported and that ninety-nine percent of rules people are very supportive of.”
296	Gallagher	Responds that there is no quantitative data to substantiate opinion. Acknowledges that there is a disconnect as to the opinion of regulations between the general public and those people who work within the regulatory system.
376	Gallagher	Speaks to the ability to implement effective change.
391	Gallagher	States what the legislature could do this session to encourage regulatory streamlining in state agencies.

TAPE 24, B

005	Lim	Closes the informational meeting on regulatory streamlining. Opens a public hearing on HB 2175.
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HB 2175 – PUBLIC HEARING

011	Jim Stembridge	Committee Administer. Summarizes HB 2175, which revises process for approval of financing for certain economic development projects.
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018	Mike Salsgiver	Legislative Affairs Manager, Oregon Economic and Community Development Department (OECDD). Submits and summarizes written testimony on HB 2175 (EXHIBIT E).
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058	Rep. Merkley	Asks if the 6 determinations included in ORS 285A.055 that is to be repealed have been consolidated in another location (EXHIBIT E, Page 2).
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068	Salsgiver	States that ORS 285B.322, section 4 has been amended to include all 6 determinations.
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084	Rep. Merkley	Asks if determinations 3 through 6 did not survive to be moved to ORS 285B.322 (EXHIBIT E, Page 2).
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091	Salsgiver	Responds that those 4 determinations are already in ORS 285B.322
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094	Rep. Nelson	Voices opposition to the repeal of the provision that would eliminate the requirement that a county commission approve and submit industrial development bond projects to OECDD.
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110	Salsgiver	Explains that the purpose of removing the county approval provision.
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134	Salsgiver	Answers question regarding the location of the determinations. Speaks to proposal that would remove them from ORS 285A.055 and consolidate them in ORS 285B.322.
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161	Art Schlack	Policy Manager, Association of Oregon Counties. Gives testimony on HB 2175. Discusses the unintended consequences associated with the bill.
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180	Schlack	Urges the committee to retain the provision regarding county approval for industrial development bond projects.
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201	Mike Dewey	Representative, Oregon Cable Telecommunications Association. Submits telecommunication informational article (EXHIBIT F). Speaks to the application of the City of Bandon for a Special Public Works Fund loan to finance the development of high-speed broadband internet, telephone, and television service.
245	Dewey	Identifies that the concern of the Oregon Cable Telecommunications Association is the inappropriateness of any government being involved in private industry, not a fear of competition.
292	Rep. Merkley	Asks if purchasing telecommunication infrastructure from ComSpanUSA and then leasing it back to them, whether the City of Bandon created a conflict with the guideline that a project operated by a non-profit, cannot compete with local for profit business.
299	Dewey	Expresses suspension about a “sweetheart deal” between the City of Bandon and ComSpanUSA.
329	Salsgiver	Explains the position of OECD regarding government competing with private industry.
385	Rep. Riley	Asks if an assessment occurs that evaluates whether or not it is reasonable to believe that a government body can meet demands of providing telecommunication services.
400	Salsgiver	Responds that there are a number of insurances where there is public ownership of telecommunications infrastructure because in an effort to expand access to broadband technology, they are moving into it regardless of the work of the private sector.

TAPE 25, B

022	Salsgiver	Answers question regarding knowledge of private versus public telecommunication conflicts.
034	Rep. Dallum	Verifies that most insurances when government is involved in providing telecommunication services it is primarily in the rural areas.
051	Dewey	Responds to question about parameters for cities becoming involved in telecommunication industry.
098	Rep. Buckley	

Questions whether or not a single provider in a market is a free market solution or if there is a monopoly on the market in a given area does a public entity have an economic responsibility to provide telecommunication services at price that can be affordable for all citizens.

- 108 Dewey Responds that government is good at some things, but those do not include innovation or streamlining. Thus, without the ability to be innovative in the telecommunication industry, one cannot compete.
- 142 Chair Lim Closes the public hearing on HB 2175. Opens a work session for the introduction of committee measures.

INTRODUCTION OF COMMITTEE MEASURE - WORK SESSION

- 151 Jim Stembridge Committee Administrator. Explains LC 2361, which has to do with the placement of video lottery terminals in establishments (**EXHIBIT F**).
- 168 Rep. Merkley **MOTION: Moves LC: 2361 BE INTRODUCED as committee bill.**
- 172 Rep. Nelson Asks who sponsored LC 2361.

VOTE: 7-0-0

- 174 Chair Lim **Hearing no objection, declares the motion CARRIED.**
- 179 Chair Lim Closes the work session on the introduction of committee measures. Adjourns meeting at 10:09 a.m.

EXHIBIT SUMMARY

- A. Regulatory Streamlining, written testimony, Patrick Allen, 5 pp
- B. Regulatory Streamlining, ORS Report to the Governor, 2004, Patrick Allen, 26 pp
- C. Regulatory Streamlining, Report on Agency Rule Streamlining, Patrick Allen, 16 pp
- D. Regulatory Streamlining, ORS Legislative Agenda, Patrick Allen, 6 pp
- E. Regulatory Streamlining, ORS Streamlining Summary, Patrick Allen, 56 pp
- F. HB 2175, written testimony, Mike Salsgiver, 2 pp

G. HB 2175, Telecommunication Informational Article, Mike Dewey, 4 pp

- **H. Introductions, LC 2361, staff, 2 pp**