

SENATE COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

March 22, 2005
1:00 P.M.

Hearing Room B
Tapes 46 - 47

MEMBERS PRESENT: **Sen. Rick Metsger, Chair**
 Sen. Bruce Starr, Vice-Chair
 Sen. Jason Atkinson
 Sen. Ryan Deckert
 Sen. Laurie Monnes Anderson

GUEST MEMBER: **Sen. Vicki Walker**

STAFF PRESENT: **Theresa Van Winkle, Committee Administrator**
 James Goulding, Committee Assistant

MEASURES/ISSUES HEARD:

SB 983 – Public Hearing and Work Session
SB 390 – Public Hearing
SB 671 – Public Hearing
SB 585 – Public Hearing and Work Session
SB 398 – 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
TAPE 46, A		
003	Chair Metsger	Calls the committee to order as a subcommittee at 1:09 p.m. Opens a public hearing on SB 983.
SB 983 – PUBLIC HEARING		
007	Sen. Vicki Walker	Senate District 7. Testifies in favor of SB 983 and explains the measure and its origin.
039	Chair Metsger	Observes that a full committee is present.
040	Cheryl O'Neill	Executive Director, Womenspace, Eugene, Oregon. Testifies in favor of SB 983 and submits written testimony (EXHIBIT A).
070	O'Neill	Relates incidents of domestic violence against women who did not have phone service to call for help.
100	O'Neill	Discusses the need for a payment plan for those who need access to a phone for their own safety.
123	Denise Washington	Executive Director, Oregon Coalition Against Domestic and Sexual Violence (OCADSV). Presents written testimony in favor of SB 983 (EXHIBIT B).
140	Jeff Bissonette	Citizens' Utility Board of Oregon (CUB). Presents written testimony in favor of SB 983 (EXHIBIT C).
180	Sybil Hebb	Oregon Law Center. Presents the committee with a letter from Rebecca Gandy in favor of SB 983 (EXHIBIT D). Testifies in favor of SB 983.
207	Chair Metsger	Summarizes the measure. Closes public hearing on SB 983.

Opens a work session on SB 983.

SB 983 – WORK SESSION

220 Sen. B. Starr

MOTION: Moves SB 983 to the floor with a DO PASS recommendation.

224 Sen. Monnes
Anderson

Wonders why there hasn't been any testimony from the telecommunication industry.

232 Schelly Jenson

Verizon. Does not have any objection to the bill.

237

VOTE: 5-0-0

Chair Metsger

Hearing no objection, declares the motion CARRIED. SEN. WALKER will lead discussion on the floor.

242 Chair Metsger

Closes work session on SB 983 and opens a public hearing on SB 390.

SB 390 – PUBLIC HEARING

245 Dan Gardner

Commissioner, Bureau of Labor and Industries. Presents written testimony in favor of SB 390 (**EXHIBIT E**).

265 Sen. Monnes
Anderson

Comments on the current criteria for members of the commission.

277 Gardner

Offers he could get that info to her.

280 Sen. Monnes
Anderson

Asks if the members have a business background.

285 Chair Metsger

Closes public hearing on SB 390 and opens a public hearing on SB 671.

SB 671 – PUBLIC HEARING

290 Chair Metsger

Mentions the -2 amendments before the committee (**EXHIBIT F**).

310 Kevin Campbell

Oregon Mutual Utility Development, INC (OMUD). Testifies in favor of SB 671 with the -2 amendments.

315 Chair Metsger

Clarifies the amendments and purpose of the legislation.

330 Campbell

Introduces Mr. Barrows and Mr. Lanz. Discusses the efforts to address options that the Oregon Public Utility Commission (PUC) in regulating the potential purchase of a public utility. Discusses the tools that this legislation would give the PUC to evaluate a buyer of a utility such as Portland General Electric (PGE).

390 Campbell

Elaborates on purchase criteria that the measure would impose.

410 Bob Lanz

(OMUD). Testifies in favor of the amendments and the measure.

TAPE 47, A

005 Lanz

Outlines the intent of the measure to provide other options to keep a utility locally owned.

027 Sen. Atkinson

Asks for clarification on Mr. Lanz's previous statement.

033 Lanz

Attempts to clarify his comments.

035 Campbell

Explains the funding and asset source handling.

040 Sen. Deckert

Expresses appreciation for their efforts. Asks for a ball park tariff or fee that ratepayers would pay.

055 Lanz

Describes the factors that would determine the ultimate cost for ratepayers.

077 Sen. Deckert

States the importance of the interest rate.

080 Lanz

Describes crafting language similar to what was acceptable in other states.

087 Sen. Deckert

Considers what a ratepayer's bill would look like and the probable tariff fee.

095 Lanz

Replies that it is too early in the process to tell.

100 Sen. Deckert

Asks about the makeup of the board for PGE.

105	Lanz	Notes his hopes for greater representation of local interest groups on the board in addition to the investors.
113	Sen. Deckert	Wonders how they would handle liabilities such as the decommissioning of the Trojan plant.
117	Lanz	Responds that they are trying to preserve the current management of liabilities.
125	Sen. Deckert	Observes the factors that could assist in keeping rates low.
130	Lanz	Relates that PUC regulation provides a way to have safe and reliable service.
140	Sen. Deckert	Wonders about federal taxes.
143	Lanz	Offers they will continue to pay federal taxes.
147	Chair Metsger	Expounds upon Sen. Deckert's question of the governance model for the board membership.
153	Lanz	Describes the potential makeup of the board and candidates.
167	Chair Metsger	Considers the particulars.
170	Lanz	Expands on his previous remarks.
187	Chair Metsger	Clarifies the use of capital and its relationship to the ratepayers. Asks for Mr. Lanz's opinion on why this model is better than some of the other proposed models.
200	Lanz	Details the advantages of the proposed model.
230	Sen. Walker	Comments on the lengthy process with settling the Enron court cases. Wonders how a mutual utility would fare in establishing itself in a short amount of time.
245	Lanz	Replies that this measure would allow for expedited financing and hopefully move the process forward.
265	Sen. Walker	Asks if they have contacted the bankruptcy trustee for this case.
267	Lanz	Responds that they have.
280	Sen. Walker	Discusses similar proposals to mutualize other state owned assets. Expresses her concern over resolving matters in a reasonable amount of time.
290	Sen. Monnes Anderson	Requests additional clarification on the tax structure.
300	Lanz	Replies.
303	Sen. Monnes Anderson	Provides her observations.
310	Sen. Deckert	Discusses the differences between the proposal they are hearing and the proposal he is offering.
317	Chair Metsger	Reiterates the federal taxation issues.
330	Lanz	Talks about the consumer benefits.
335	Dave Barrows	OMUD, Inc. Testifies in favor of SB 671 with the -2 amendments. Mentions the advantages of a mutual company. Offers this proposal as another possible model that could be used to resolve this issue.
370	Barrows	Addresses potential creditor and trustee concerns.
400	Chair Metsger	Observes the that this measure creates a mechanism.
TAPE 46, B		
005	Chair Metsger	Recalls similar issues involved in evaluating the State Accident Insurance Fund (SAIF).
007	Barrows	Mentions an information packet he is passing out to the committee (EXHIBIT G).
025	Jeff Bissonnette	Citizens Utility Board (CUB). Testifies in favor of SB 671 in its original form. Expresses the complications of adding the -2 amendments.
053	Brad Higbee	Renewable Northwest Project. Testifies in favor of SB 671 with

067	Chair Metsger	some additional language. Reads the additional language to the committee.
073	Bissonnette	Asks for additional clarification on Mr. Bissonnette’s comments
077	Chair Metsger	Clarifies his comments. Expresses his desire to examine the -2 amendments in greater detail before moving this measure forward. Closes public hearing on SB 671. Opens a public hearing on SB 585.

SB 585 – PUBLIC HEARING

105	Neil Jackson	Board of Governors, Oregon Trial Lawyers Association. Presents written testimony in favor of SB 585 (EXHIBIT H). Supports the proposed -2 (EXHIBIT I) and -3 (EXHIBIT J) amendments to SB 585.
135	John Powell	State Farm Insurance. Expresses support for SB 585 and the -2 amendments. Testifies in opposition to the -3 amendments.
160	Powell	Discusses the -2 amendments and the issues resolved by them. Talks about liens against Personal Injury Protection (PIP) amounts.
190	Vern Saboe	Chiropractic Association of Oregon (CAO). Testifies in favor of SB 585. Explains the provisions of the bill and what it aims to prevent.
213	Chair Metsger	Reiterates the medical scenarios this legislation seeks to address. Asks Mr. Jackson about trends in managed care services.
230	Jackson	Offers that he doesn’t see a trend. States he is seeking to make it fair.
237	Jane Myers	Government Relations, Oregon Dental Association (ODA). Testifies to explain the intent of the -3 amendments to SB 585.
280	Chair Metsger	Asks if there is any additional testimony. Closes public hearing on SB 585.

SB 585 – WORK SESSION

290	Sen. B. Starr	MOTION: Moves to ADOPT SB 585-2 amendments dated 3/16/05.
292	Chair Metsger	VOTE: 4-0-1 EXCUSED: 1 - Deckert Hearing no objection, declares the motion CARRIED.
294	Sen. B. Starr	MOTION: Moves SB 585 to the floor with a DO PASS AS AMENDED recommendation.
297	Chair Metsger	VOTE: 4-0-1 EXCUSED: 1 - Deckert Hearing no objection, declares the motion CARRIED. SEN. MONNES ANDERSON will lead discussion on the floor.
300	Chair Metsger	Closes work session on SB 585. Opens a public hearing on SB 398.

SB 398 – PUBLIC HEARING

310	Sen. Ben Westlund	Senate District 27. Testifies in favor of SB 398 and explains the measure.
345	Jim Noteboom	Confederated Tribes of the Warm Springs Reservation of Oregon. Presents the written testimony of Ron Suppah to the committee (EXHIBIT K). Advocates passage of the bill.
390	Chair Metsger	Notes his statement in regards to “amendment”. Clarifies that there are no proposed amendments to SB 398.
395	Noteboom	Replies that he was referring to an amendment of statute and not the measure itself.

397	Chair Metsger	Asks for clarification on creation of a foreign Limited Liability Corporation (LLC).
400	Noteboom	Clarifies the method of obtaining LLC status.
415	Sen. Atkinson	Asks if a reservation could create a single member LLC.
416	Noteboom	Believes they can.
417	Sen. Atkinson	Asks if the State of Oregon recognizes an S-Corporation (S-corp.) started on a reservation.
420	Noteboom	Details the process.
425	Sen. Atkinson	Considers the protections available in an LLC. Notes the need to protect land assets.
430	Noteboom	Relates the handling of land assets.
435	Sen. Atkinson	Observes the unique policy questions that are raised.
445	Noteboom	Addresses current uses of tribal lands.
TAPE 47, B		
005	Sen. Atkinson	Voices support for the measure. Points out the protection of a capitol corporation.
013	Noteboom	Talks about the evolving economic factors of tribes.
020	Michael Mason	Confederated Tribes of Warm Springs. Testifies in support of SB 398.
030	Sen. Monnes Anderson	Asks for clarification on foreign LLCs.
035	Noteboom	Explains the laws related to formations of LLCs.
043	Sen. Monnes Anderson	Request clarification on land acquisitions.
045	Noteboom	Discusses the types of LLCs that could be formed.
050	Sen. Westlund	Adds that it doesn't apply outside of tribal lands.
055	Noteboom	Offers additional details.
059	Sen. Atkinson	Proposes potential scenarios where this bill would enable greater tribal business opportunities.
067	Sen. Westlund	Reiterates that this is a simple, but important bill.
070	Chair Metsger	Closes public hearing on SB 398. Opens a work session on SB 398.

SB 398 – WORK SESSION

077	Sen. B. Starr	MOTION: Moves SB 398 to the floor with a DO PASS recommendation.
079		VOTE: 4-0-1
	Chair Metsger	EXCUSED: 1 - Deckert
		Hearing no objection, declares the motion CARRIED.
		SEN. WESTLUND will lead discussion on the floor.
081	Chair Metsger	Closes work session on SB 398. Adjourns the committee at 2:39 p.m.

EXHIBIT SUMMARY

- A. **SB 983, Written testimony, Cheryl O’Neill, 1 p**
- B. **SB 983, Written testimony, Denise Washington, 1 p**
- C. **SB 983, Written testimony, Jeff Bissonette, 1 p**
- D. **SB 983, Written testimony of Rebecca Gandy, Sybil Hebb, 1 p**
- E. **SB 390, Written testimony, Dan Gardner, 2 pp**
- F. **SB 671, -2 amendments, staff, 16 pp**
- G. **SB 671, Information packet, Dave Barrows, 7 pp**

- H. **SB 585, Written testimony, Neil Jackson, 1 p**
- I. **SB 585, -2 amendments, staff, 1 p**
- J. **SB 585, -3 amendments, staff, 1 p**
- K. **SB 398, Written testimony of Ron Suppah, Jim Noteboom, 1 p**