

## SENATE COMMITTEE ON TRANSPORTATION

March 23, 2005  
3:10 P.M.

Hearing Room C  
Tapes 37 - 39

**MEMBERS PRESENT:**     **Sen. Joanne Verger, Chair**  
                                  **Sen. Rick Metsger**  
                                  **Sen. Floyd Prozanski**  
                                  **Sen. Bruce Starr**

**MEMBER EXCUSED:**     **Sen. Doug Whitsett, Vice-Chair**

**STAFF PRESENT:**       **Judith Callens, Committee Administrator**  
                                  **James Goulding, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**SB 842 – Work Session**  
**SB 640 – Public Hearing**

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 37, A</b>		
003	Chair Verger	Calls the committee to order at 3:22 p.m. Reports that SB 411 will not be heard today. Says that SB 868 will not be heard by the committee.
011	Judith Callens	Committee Administrator. Explains why SB 868 will not be heard by the committee.
020	Chair Verger	Opens work session on SB 842.
<b><u>SB 842 – WORK SESSION</u></b>		
025	Chair Verger	Describes -2, -3, & -4 amendments to SB 842 ( <b>EXHIBIT A, B, &amp; C</b> respectively).
027	Judith Callens	Committee Administrator. Gives overview of SB 842 and the amendments.
035	Sen. Prozanski	Asks what county.
037	Judith Callens	Replies Lane County.
047	Sen. Ryan Deckert	Represents Senate District 14. Presents written testimony in favor of SB 842 ( <b>EXHIBIT D</b> ). Discusses the advantages of each amendment.
075	Chair Verger	Calls on someone from Oregon Department of Transportation (ODOT) to answer some questions. Asks for an estimate on the amount of the total damage caused by studded tires.
081	John Jackley	Highway Division, ODOT. Replies eleven million dollars.
085	Sen. B. Starr	Asks if the actual amount of damage is more than eleven million dollars.
089	Jackley	Replies yes. Says eleven million dollars is what ODOT spends annually, not the actual amount of damage done.
091	Sen. B. Starr	Asks for an estimate of the total damage of the state's highway system due to studded tires.

093	Jackley	States he does not have the estimate but that he could provide the estimate to the committee.
097	Sen. Prozanski	Asks if the eleven million dollars is being spent statewide.
103	Jackley	Replies it is generally expended west of the cascades.
105	Sen. Prozanski	Asks question about the amendments.
107	Jackley	Replies that he has not seen the amendments.
115	Sen. Prozanski	Discusses the -3 and -4 amendments.
121	Jackley	Believes his distinction is correct.
143	Sen. Prozanski	Proposes that SB 842 be carried over to their next meeting.
155	Chair Verger	Suggests that they wait for Sen. Metsger to arrive and hear SB 640 in the meantime. Closes work session on SB 842 and opens a public hearing on SB 640.

**SB 640 – PUBLIC HEARING**

170	Sen. Ted Ferrioli	Represents Senate District 30. Reads the written testimony of Sen. Jackie Winters in favor of SB 640 ( <b>EXHIBIT E</b> ).
215	Chair Verger	Observes that Sen. Ferrioli might also wish to share his own thoughts on the measure.
217	Sen. Metsger	Remarks on Sen. Winters testimony.
220	Sen. Ferrioli	Offers his testimony in favor of SB 640. Describes the current Methamphetamine epidemic and the efforts to combat it.
253	Sen. Ferrioli	Discusses the Oregon Driver’s License and its role in enabling identity theft crimes.
280	Sen. Ferrioli	Talks about new safety features for making driver’s licenses. States that they can often be duplicated by criminals.
320	Sen. Ferrioli	Replies with a further description of the biometric identity safeguards.
360	Chair Verger	Inquires how Sen. Winters is recuperating.
363	Sen. Ferrioli	Offers that Sen. Winters is doing very well. Makes further remarks that this is a very non-partisan issue that crosses many demographic lines.
393	Chair Verger	Comments on the disappointment she feels when otherwise good people are drawn into negative activities of this nature.
403	Sen. Ferrioli	Relates the trials people face with identity theft.
<b>TAPE 38, A</b>		
003	Chair Verger	Mentions technological advancements.
010	Lorna Youngs	Department of Motor Vehicles (DMV). Submits written testimony ( <b>EXHIBIT F</b> ). Points out that the committee may wish to hear from the chief proponents of the bill first.
035	Chair Verger	Concurs and asks Mr. Kanzler to testify.
041	Larry Kanzler	Chief, Milwaukee Police Department. Testifies in support of SB 640 and relays an account of identity theft with a driver’s license.
070	Kanzler	Talks about the elaborate counterfeit capabilities current technology allows for.
100	Kanzler	Talks about apartments that have been permanently contaminated by the Methamphetamine making process.
117	Jeff Kaer	Lieutenant, Regional Economic Crime Investigation Center (RECIC). Submits a packet of testimony and data ( <b>EXHIBIT G</b> ).
143	Kaer	Talks about Department of Motor Vehicles (DMV) efforts to produce a secure driver’s license card, but not the process by which they are issued.
175	Kaer	Discusses the time it takes to reestablish a person’s credit history.
200	Kaer	Notes the advantages of a biometric feature to prevent identity

		theft.
230	Kaer	Observes the forms of biometric data and that fingerprints are the most convenient way to track data.
241	Chair Verger	Asks if the DMV can add the measurements to the faces.
247	Kaer	Replies that he believes so. Continues discussion on the prevention of identity theft.
275	Kaer	Refers to the submitted informational packet and methods of preventing counterfeiting.
300	Kaer	Details the methods of reducing the issuing of false identification.
330	Raul Ramirez	Marion County Sheriff's Office. Testifies in favor of SB 640.
360	Ramirez	Discusses the need for a cross referencing system amongst identification issued.
390	Ramirez	Advocates for action as soon as possible to prevent these crimes.
<b>TAPE 37, B</b>		
010	Brad Berry	Oregon District Attorney's Association. Testifies in favor of SB 640. Relays the problems that have been created by the Methamphetamine epidemic. Talks about identity theft problems.
040	Berry	Describes the ease with which fake licenses can be made.
070	Berry	Talks about a select few DMV employees who assist in identity theft crimes.
100	Chair Verger	Observes the money spent trying to thwart the drug epidemic over the years.
127	Sen. Prozanski	Asks about the process of issuing a license under this system.
133	Kaer	Explains the procedure for issuing a license.
140	Sen. Prozanski	Asks for an example of the process.
145	Kaer	Offers an overview of the process.
153	Sen. Prozanski	Asks clarification question.
155	Kaer	Clarifies explanation.
157	Sen. Prozanski	Asks if it is all in a software program.
159	Kaer	Replies yes. Continues explanation of process.
187	Chair Verger	Points out that the mailing part of the process is very important.
190	Kaer	Responds to comment.
207	Chair Verger	Comments that everything would be much easier if everyone told the truth.
275	Kerrie Davis	Rogue Federal Credit Union. Submits written testimony for herself and Ms. Leavitt ( <b>EXHIBIT H</b> ). Testifies on SB 640.
300	Pamela Leavitt	Credit Union Association of Oregon. Hands out a flyer about passwords ( <b>EXHIBIT I</b> ). Testifies on SB 640.
310	Chair Verger	Comments on the flyer and the useful information contained on it. Asks if people from the local credit unions come to businesses to discuss identity theft prevention.
320	Davis	Replies yes and explains.
330	Leavitt	Replies yes.
340	Sen. Prozanski	Asks about the value of the new license.
345	Davis	Explains importance of enhanced security measures.
367	Sen. Prozanski	Asks what they look for when someone comes into the bank to open an account.
370	Davis	Discusses training procedures and what they look for.
385	Mike Dewey	Digimarc Corporation. Talks about his Oregon based company that provides services for DMV and others around the world.
<b>TAPE 38, B</b>		
010	Dewey	Offers concerns that the passage of SB 640 might cause violations with their contract with DMV.

035	Sen. Prozanski	Asks for clarification about what they provide to DMV.
040	Dewey	Details the technology they provide to make identity cards.
057	Sen. Prozanski	Wonders what he means by storage.
059	Dewey	Replies they store the photographs.
065	Sen. Prozanski	Asks if the vendor would have access to the database.
067	Dewey	Responds.
075	Sen. B. Starr	Observes the concerns of Digimarc.
079	Dewey	Replies that they have a contract that expires in 2008.
083	Sen. B. Starr	Asks if Digimarc has the technological capacity to do the updates necessary.
090	Dewey	Responds that it could be provided at a cost.
110	Andrea Meyer	American Civil Liberties Union of Oregon. Presents written testimony in opposition to SB 640 ( <b>EXHIBIT J</b> ). Testifies in opposition to SB 640.
140	Meyer	Continues to describe the problem inherent with developing technology properly identifying individuals.
165	Meyer	Summarizes her testimony.
195	Chair Verger	Asks if Ms. Meyer thinks we have much privacy now.
197	Meyer	Replies that we have less and less privacy and that it shouldn't be given away.
200	Chair Verger	Opines the decline in personal privacy.
211	Meyer	Responds.
230	Chair Verger	Respectfully disagrees with Meyer's response.
240	Tom Perrick	President & CEO, Oregon Bankers Association. Testifies in support of SB 640.
297	Chair Verger	Asks Ms. Youngs to comment on the testimony provided.
300	Lorna Youngs	Division of Motor Vehicles. Refers back to her testimony handed out earlier ( <b>EXHIBIT F</b> ). Responds to the comments made during the testimony.
410	Youngs	Elaborates on their operations. Mentions SB 640 -2 amendments ( <b>EXHIBIT K</b> ).
<b>TAPE 39, A</b>		
005	Youngs	Continues testimony.
020	Chair Verger	Inquires what the punishment would be for an employee who shared confidential information.
025	Youngs	Explains.
027	Chair Verger	Wonders if there is a work environment that an employee would feel comfortable with reporting another employee who has accessed the databank for personal reasons.
035	Youngs	Offers that there is a high emphasis on protecting data.
040	Chair Verger	Comments on testimony.
045	Sen. Prozanski	Clarifies that the database would only be accessible by DMV employees.
047	Youngs	Explains that DMV records are accessible under the records law.
050	Sen. Prozanski	Asks if you can buy a person's information from the DMV for marketing purposes.
053	Youngs	Replies they cannot. Details the changes made to prevent that activity.
080	Sen. B. Starr	Inquires if Youngs has seen the information from the Coalition for a Secured Driver's License. Asks if she is concerned that Oregon is at the bottom of the red list.
090	Youngs	References the criteria used to establish the score. Breaks down where Oregon stands among other states.
105	Sen. B. Starr	Asks if she is concerned that Oregon is at the bottom of the list.

107	Youngs	Replies that she is concerned.
110	Sen. B. Starr	Comments that other bills have been drafted this session to deal with some of the other issues as well.
127	Sen. B. Starr	Seems that this bill focuses on the issue of identity theft.
133	Youngs	Replies with understanding.
137	Sen. B. Starr	Comments that he does not see an alternative to this bill.
147	Youngs	Agrees.
160	Sen. B. Starr	Mentions the termination of employees who violate usage of the database. Asks if there is criminal action taken against employees who fraudulently use the database.
163	Youngs	Explains.
179	Sen. B. Starr	Asks if the Oregon DMV has any direct connection with the negotiated rule making.
193	Youngs	Replies that they are in close contact and that they get frequent updates.
207	Sen. B. Starr	Asks how much of the issues coincide with the issues relayed in this bill.
209	Youngs	Explains potential risk.
217	Sen. Metsger	Observes the multiple areas that identity theft affects. Discusses the evolution of the use of a driver's license. Observes that they could establish another form of identity other than the driver's license.
245	Youngs	Offers that the responsibility would simply fall on another area.
263	Chair Verger	Responds to testimony.
269	Sen. Prozanski	Wonders about the usage of the fingerprint on the card.
283	Youngs	Points out all the safety features included in cards that aren't being utilized.
317	Sen. B. Starr	Clarifies the usage of a finger print on the card.
327	Sen. Prozanski	Expresses his concerns about more information being available on the card other than the fingerprint.
345	Chair Verger	Closes public hearing on SB 640. Opens work session on SB 842.
<b><u>SB 842 – WORK SESSION</u></b>		
347	Chair Verger	Comments on SB 842. Talks about the amendments on SB 842.
357	Sen. Prozanski	Notes his opposition to moving SB 842 forward.
375	Chair Verger	Asks what would be impacted under the -3 amendments.
376	Sen. Prozanski	Replies Lane County.
383	Sen. B. Starr	Talks about the SB 842 -3 amendments. Points out how long they have attempted to address the studded tire issue. Feels they should take this up another time.
403	Sen. Metsger	Voices his support of the -2 amendments.
427	Chair Verger	Closes work session and adjourns the committee at 5:39 p.m.

## **EXHIBIT SUMMARY**

- A. **SB 842, -2 amendments, staff, 1 p**
- B. **SB 842, -3 amendments, staff, 1 p**
- C. **SB 842, -4 amendments, staff, 1 p**
- D. **SB 842, written testimony, Sen. Ryan Deckert, 1 p**
- E. **SB 640, written testimony, Sen. Jackie Winters, 1 p**
- F. **SB 640, written testimony, Lorna Youngs, 3 pp**

- G. **SB 640, informational packet, Jeff Kaer, 34 pp**
- H. **SB 640, written testimony, Pamela Leavitt, 3 pp**
- I. **SB 640, flyer, Pamela Leavitt, 2 pp**
- J. **SB 640, written testimony, Andrea Meyer, 3 pp**
- K. **SB 640, -2 amendments, staff, 3 pp**