

**SENATE SPECIAL COMMITTEE ON BUDGET – 2005 SESSION
PUBLIC SAFETY SUBCOMMITTEE**

TAPE LOG

**Date: June 22, 2005
Tapes: 9B, 10A, 11A**

This tape log summarizes committee proceedings. For complete content and intent, please refer to tapes.

Tape / Counter	Speaker	Comments
Members Present: Senator Gordly, chair; Senator Devlin		
Members Excused: Senator Winters		
TAPE 9B		
003	Chair Gordly	Calls the meeting to order at 1:00 p.m. Opens a Work Session on SB 5614 – Oregon Military Department. (Exhibit #1, SB 5614). Asks Colonel Caldwell to come forward. STANDS AT EASE AT 1:02 P.M. (Refer to HB 5051 for prior Exhibits)
021	Chair Gordly	Reconvenes the meeting at 1:04 p.m.
SB 5614 – OREGON MILITARY DEPARTMENT WORK SESSION		
023	Susie Jordan, Legislative Fiscal Office (LFO)	Refers to (Exhibit #2, Memorandum from Susie Jordan), (Exhibit #3, Legislatively Adopted performance Measures, 2005-07), (Exhibit #4, Work Session Action Report). Provides a historical view of the agency's budget since 2001-03. Covers page 2 of Exhibit #2 reviewing the LFO recommended budget changes
038	Susie Jordan	Reviews Package 082 and 083. Also discusses Package 108, Unspecified National Guard Appreciation Package.
048	Chair Gordly	Confirms that there will be a National Guard appreciation package however the elements are still being worked out.
051	Susie Jordan	Agrees and then reviews Package 110 and Package 201.
056	Susie Jordan	Reviews Package 202 for the Kingsley Field Air National Guard Base.
059	Susie Jordan	Covers Package 205, Baker City Readiness Center.
062	Susie Jordan	Reviews Package 206, Lane County Field Maintenance Shop.
065	Susie Jordan	Covers Package 207 and Package 211.
068	Susie Jordan	Reviews Package 212, ARNG O&M Federal Funds.
071	Susie Jordan	Reviews Package 216, 217 and 218.
077	Susie Jordan	Covers Package 219: Converts two Limited Duration positions.
079	Susie Jordan	Reviews Package 220 and 403.
085	Chair Gordly	Agrees to accept a motion.
087	Sen. Devlin	MOVES that the subcommittee approve the technical adjustments and LFO recommendations on the policy packages and the capital construction budget.
090	Chair Gordly	Questions the Capital Construction package.
092	Susie Jordan	Describes Package 499: Capital Construction Policy Option Packages.

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097	Chair Gordly	Vote: 2 – 0 – 1 Ayes: Senators Devlin, Chair Gordly Exc.: Senator Winters Hearing no objections, declares the motion CARRIED .
101	Susie Jordan	Discusses item #4 in Exhibit #2.
105	Chair Gordly	Agrees to accept a motion.
106	Sen. Devlin	MOVES SB 5614, as Amended, to the Full Senate Special Committee on Budget with a Do Pass recommendation.
108	Chair Gordly	Vote: 2 – 0 – 1 Ayes: Senators Devlin, Chair Gordly Exc.: Senator Winters Hearing no objections, declares the motion CARRIED .
111	Susie Jordan	Discusses the Performance Measures referring to Exhibit #3.
123	Chair Gordly	Asks if the agency is comfortable with the performance measures as described.
125	Colonel Caldwell	Agrees that they presently keep that data and that they would just need to put it into the proper format. Indicates that they are doing the best that they can and discusses the lack of adequate personnel to collect the data.
140	Chair Gordly	Asks Ms. Jordan to have the Budget Report reflect that situation.
144	Colonel Caldwell	Responds that they fully intend to come to the E-Board for two items and then elaborates about the ADMW rate.
153	Chair Gordly	Also asks that the Senate Budget Report include that information.
155	Colonel Caldwell	Comments on the reintegration program and discusses the additional needs in that area.
167	Chair Gordly	Asks Ms. Jordan that that information be detailed in the report with emphasis.
171	Colonel Caldwell	Appreciates the committee's understanding working with them during this process.
176	Chair Gordly	Thanks Colonel Caldwell for the arrangements that were made for the helicopter tour.
183	Colonel Caldwell	Reminds the subcommittee to feel free to contact them should they have time to visit them further.
192	Chair Gordly	Thanks the Colonel.
193	Sen. Devlin	Concurs with her comments. Asks whether Oregon is at the peak of their call ups and whether they will now start to decline.
200	Colonel Caldwell	Responds that they have another call up in August for a 54 men unit. System-wide he responds no, they don't see any major changes in the near future. Comments on how soon the rotations will begin again which is the real question.
223	Chair Gordly	Appreciates Sen. Devlin's question and Colonel Caldwell's answer which is very revealing. Asks that the call up details be reflected in the Budget Report as well.
231	Colonel Caldwell	Indicates that their people's moral is very good right now. Retention

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		is better than they anticipated. Recruiting is up in Eastern Oregon.
264	Chair Gordly	Informs that Oregon is blessed with the quality of the Colonel's leadership and the men and women serving under that leadership.
271	Chair Gordly	Notes that they have a motion. Vote: 2 – 0 – 1 Ayes: Senators Devlin, Chair Gordly Exc.: Senator Winters Hearing no objections, declares the motion CARRIED .
280	Chair Gordly	Closes the Work Session on SB 5614. Opens the Public Hearing and Work Session on SB 738-A.

**SB 738A – FIRE-SAFE CIGARETTES
PUBLIC HEARING**

288	Chair Gordly	Calls Mr. Whalen forward to speak.
296	Doug Wilson, Legislative Fiscal Office	Refers to (Exhibit 5, Memorandum from Doug Wilson), (Exhibit 6, Senate Bill 738) . Provides a summary of the bill.
322	Tom Whalen	Provides some historical information regarding the Fire-Safe Cigarette. Indicates he hasn't run into a pipe caused fire or a marijuana caused fire but only cigarette caused fires.

TAPE 10A

004	Mr. Whalen	Indicates that Vermont is the second state to adopt the Fire-Safe law. Comments on the extensive care needed for a burn victim. Indicates that the Oregon Fire Service is united in their support of the bill. Believes that it can only positively impact the general fund. Urges that they pass the bill out with a Do Pass to the full committee. Discusses the billions of cigarettes that will be sold in New York that are fire safe.
069	Chair Gordly	Refers to Exhibit #5 and questions whether the outside firms that would do the testing would be Oregon businesses.
075	Mr. Whalen	Responds there are only 2-3 labs set up to do the testing and more on the way. Indicates that Nancy Orr will let the committee know who those testing businesses are.
079	Chair Gordly	Agrees to wait to hear more about that later.
082	Tim Burr, Tigard, Oregon	Urges the committee's support for SB 738-A. Indicates that the industry has had the ability to make a safer cigarette since the 1980s. Informs that on October 1 st it will become the law in Canada and Vermont has also passed the law. Comments on the fatal fires that he has responded to which were cigarette fires.
138	Chair Gordly	Thanks them both for their testimony.
140	Sen. Devlin	Concurs.
142	Chair Gordly	Calls the next two speakers forward.
147	Nancy Orr, State Fire Marshal	Refers to (Exhibit 7, Testimony of Nancy Orr) and speaks in favor of SB 738-A.
166	John Wakefield, Budget Analyst	Discusses the two laboratories that could do the testing which are Kidde Fenwal and Arista Laboratories. Discusses the cost per test

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		which is between \$500-800.
173	Chair Gordly	Asks if those costs are included in the costs outlined in the bill.
175	Nancy Orr	Replies the cost is strictly for the laboratory testing and then elaborates.
183	Chair Gordly	Confirms that they committee assistant got the names of the two testing companies.
188	Sen. Devlin	Clarifies the bill on page 2, exhibit #6.
199	Nancy Orr	Agrees he is correct.
200	Chair Gordly	Thanks the Fire Marshall for being with us.
204	Tari Glocar, President of the Oregon Fire Marshal's Association	Testifies in strong support of the bill. Provides written testimony (Exhibit #8) .
218	Chair Gordly	Thanks her for her testimony.
221	Chair Gordly	Calls the last two speakers forward and checks whether there are any other people who wish to testify.
225	Mark Nelson, RJ Reynolds Tobacco	Appears in opposition of SB 738. Outlines their primary concerns. Comments on coming up with a National standard rather than the State by State approach. Comments on the dramatic increase of tobacco prices in the state. Discusses the "grey market" of tobacco sales in Oregon. Comments on the decrease of the revenue the state will experience due to the lesser sale of tobacco
330	Chair Gordly	Asks what the measure before Congress would accomplish and what the prospects are for passing the measure.
342	Mark Nelson	Responds he is unsure but indicates that it would set an overall standard nationwide.
349	Chair Gordly	Asks what changed to bring about their support.
352	Mark Nelson	Replies a further refinement of the product.
376	Chair Gordly	Appreciates his response.
378	Sen. Devlin	Asks if it is his understanding that the Federal legislation would preempt local standards.
383	Mark Nelson	Believes it would be his understanding.
399	Sen. Devlin	Indicates that the more states that do it now the more emphasis for the Federal legislation to pass.
403	Mark Nelson	Agrees that argument could be made.
408	Richard Kosesan, Oregon Neighborhood Stores Association	Testifies in opposition of SB 738-A. Indicates he provided a quick overview of cigarette tax revenues. (Exhibit #9) . Comments about the devastating impact on businesses in Oregon due to lost revenues. Believes people would move to internet sales which would negatively impact Oregon's revenues.

TAPE 11A

001	Mr. Kosesan	Comments on the detrimental impact on retail businesses in Oregon if they were to restrict the sale of traditional cigarettes in the State.
044	Chair Gordly	Thanks him for his testimony.
047	Mark Nelson	Adds more than 50% of New York's retail sales take place through untaxed sources at this point.

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053	Chair Gordly	Asks for the last speaker to come forward to testify.
058	Genoa Ingram, Oregon Fire District Directors Association	Testifies in support of SB 738-A. Indicates that the Public Safety community whole heartedly supports the bill. Discusses the cost impact to the State and believes that you can't put a price on saving lives. Notes that Ken Armstrong also supports the bill. (Exhibit #10, Testimony of Genoa Ingram).
083	Earl Diment, Deputy Fire Marshal, Portland Fire	Thanks the Chair for hearing the bill. Testifies in support of SB 738-A. Indicates that the safe-cigarettes taste the same and that he doesn't believe that a smoker would run to the internet to buy the old kind of cigarettes if they do taste the same. Remembers being burned by his mother accidentally by a cigarette.
121	Chair Gordly	Indicates that New York has had a year of experience selling fire-safe cigarettes. Asks if there has been a reduction in cigarette related fires and deaths.
132	Mr. Whalen	Responds that it is too early to tell as they just completed their first year.
136	Chair Gordly	Asks the next two speakers to come forward.
138	Deborah Buchanan, Dept. of Revenue	Indicates that the Dept. is neutral on the issue. Offers to provide current revenue impacts.
156	Chair Gordly	Asks how quickly she could provide the internet information to the committee.
160	Deborah Buchanan	Responds by tomorrow.
161	Chuck Tauman	Comments on the Federal legislation. Discusses the issue of decreased sales which has been happening for a long time in Oregon. Doesn't believe that there is evidence that a change in a fire-safe cigarette would cause a decrease in cigarette consumption. Explains that Phillip-Morris decided not to promote the Merit cigarette.
231	Chair Gordly	Thanks Mr. Tauman for his testimony. Questions if there is anyone else that wishes to testify.
237	Chair Gordly	Closes the Public Hearing on SB 738-A. Opens a Work Session on SB 738-A.

SB 738-A – FIRE-SAFE CIGARETTES WORK SESSION

241	Sen. Devlin	MOVES SB 738-A to the Full Senate Budget Committee with a Do Pass recommendation.
242	Chair Gordly	Questions whether there are any objections. Indicates that the motion is accepted.
246	Chair Gordly	Indicates that the point was made through testimony about why the legislation is needed at this time. Cigarettes are a cause of fatal fires in Oregon and nationally and are the leading cause of fires in Oregon and nationally.
262	Chair Gordly	Vote: 2 – 0 – 1 Ayes: Senators Devlin, Chair Gordly Exc.: Senator Winters Hearing no objections, declares the motion CARRIED.

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264	Chair Gordly	Asks whether there is any other business.
266	Doug Wilson	Informs of tomorrow's agenda. Adjourns the meeting at 2:30 p.m.

Additional Exhibit:

Exhibit #11 – Witness Registration Sheet