

HOUSE COMMITTEE ON
BUSINESS, LABOR AND CONSUMER AFFAIRS

March 17, 2003 Hearing Room E
8:30 A.M. Tapes 59 - 60

MEMBERS PRESENT: **Rep. Betsy Close, Chair**
 Rep. Derrick Kitts, Vice-Chair
 Rep. Diane Rosenbaum, Vice-Chair
 Rep. Mary Gallegos
 Rep. Jeff Merkley
 Rep. Mike Schaufler

MEMBER EXCUSED: **Rep. Bill Garrard**

STAFF PRESENT: **Megan Palau, Committee Administrator**
 Pam Cox, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2333 – Public Hearing and Work Session**
 HB 2846 – Public Hearing and Work Session
 HB 2230 - Public Hearing and Work Session
 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
TAPE 59, A		
005	Chair Close	Calls committee meeting to order at 8:36 a.m. Opens public hearing on HB 2333 and states HB 2229 will not be heard.
<u>HB 2333 – PUBLIC HEARING</u>		
006	Megan Palau	Committee Administrator. Summarizes HB 2333.
007	Rep. Tom Butler	House District 60. Testifies in favor of HB 2333 with the -1 amendments and informs the committee on the effects it will have on Idaho Power.
033	Chair Close	Asks about cattle in eastern Oregon.
034	Rep. Butler	Informs the committee on the dire straits of the cattle business in eastern Oregon.
059	John Brenneman	Idaho Power Company. Testifies in favor of HB 2333 and submits written testimony but defers to Ric Gale on problems relating to Idaho Power (EXHIBITS A & B).
060	Ric Gale	Idaho Power. Testifies in favor of HB 2333 and explains the energy crisis and drought Idaho Power is experiencing.
129	Brenneman	Explains the amendments and informs the committee on the outcome regarding meetings with Association of Oregon Industries, Citizens Utilities Board and Industrial Customers.
184	Gale	States they are seeking the ability to make a request.
185	Rep. Kitts	Asks if he could put a dollar amount on the crisis.
186	Gale	Answers \$14 million and possibly more with interest charges.
190	Lee Beyer	Commissioner, Oregon Public Utility Commission (OPUC). Testifies in favor of HB 2486 as amended and explains it

243	Rep. Rosenbaum	authorizes the commission to prove a rate recovery higher than the current rate (EXHIBITS C & D) . Asks if there are others that might fall under the amendment as Idaho Power.
244	Beyer	Answers no they are unique and represent a very small part of Oregon.
250	Chair Close	Closes public hearing on HB 2333 and opens a work session on HB 2333.

HB 2333 – WORK SESSION

253	Rep. Rosenbaum	MOTION: Moves to ADOPT HB 2333-1 amendments dated 03/07/03.
254	Chair Close	VOTE: 6-0 EXCUSED: 1 - Garrard Hearing no objection, declares the motion CARRIED.
254	Rep. Rosenbaum	MOTION: Moves HB 2333A to the floor with a DO PASS AS AMENDED recommendation.
254	Chair Close	VOTE: 6-0 EXCUSED: 1 - Garrard Hearing no objection, declares the motion CARRIED. REP. BUTLER will lead discussion on the floor.
255	Close Close	Closes work session on HB 2333 and opens a public hearing on HB 2846.

HB 2846 – PUBLIC HEARING

257	Grover Simmons	Independent Employer Association. Testifies in favor of HB 2846 and submits and summarizes written testimony on contracting of manufacturing license plates and offers the specifics of keeping the contract in the states (EXHIBIT E & F) .
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TAPE 60, A

001	Rep. Tootie Smith	Deputy Majority Leader, House District 18. Testifies in favor of HB 2846 and informs the committee on the impact it will have on Oregon (EXHIBIT G) .
060	Rep. Schaufler	States the advantage of health care in Canada.
061	Chair Close	Ask why the construction industries wanted to be exempt from this bill.
064	Simmons	Explains regarding construction companies and then describes interpretation of the word state in the bill.
100	Rep. T. Smith	Notes the loss of Oregon jobs and further explains loosening the license plate contract.
110	Rep. Merkley	Asks if there are any other cases this bill would affect.
112	Rep. T. Smith	States she does not know of any.
121	Rep. Merkley	Asks if there have been conversations with anyone in Canada regarding other businesses in the state that have contracts with them and what the outcome would be.
122	Rep. T. Smith	States that issue is only the manufacturing of license plates and the first time Canada was given the contract.
133	Rep. Rosenbaum	Notes there are no emergency clauses in the bill.
135	Rep. T. Smith	States Canada's contract expires in September and hopes they will be looking to Oregon.
143	Rosenbaum	Comments on free trade agreements and keeping jobs within our borders.
151	Rep. T. Smith	Concurs with Rep. Rosenbaum and explains desire that bill will save jobs.

165	Dianne Lancaster	Department of Administrative Services (DAS). Testifies as a neutral party for HB 2846 and submits written testimony and states a study needs to be done (EXHIBITS H & I).
219	Chair Close	States that DAS should have addressed issue on their own and should not have been brought before committee.
222	Kelly Taylor	DAS. Testifies as a neutral party and continues to offer an explanation of the history of the contracts.
269	Chair Close	Ask if DAS is concerned about the costs of health benefits, unemployment issues and social services.
270	Taylor	Explains Oregon represents 25% of the plate production process.
314	Bill Nessly	Department of Justice (DOJ). Testifies as a neutral party but offers information that DOJ and DMV did the only thing they could do as the statutory limits indicates the bid must be awarded to the lowest bidder.
334	Chair Close	Asks about the letter received from Irwin-Hodson's attorney.
336	Nessly	Points out that Oregon has a reciprocal preference and states a discrimination imposed by Canada or Nova Scotia.
354	Chair Close	Asks for further clarification on international trade treaties.
355	Nessly	States there is no International Trade treaty.
370	Rep. Gallegos	Asks how this bidding process will take place.
380	Lancaster	Explains obtaining an outside contractor should be avoided that the employment department has a model for this process.
411	Rep. Gallegos	Asks about \$50,000 cost in preparing this study.
413	Lancaster	Explains the economist at the Employment Department stated that for the work that will be performed given the list of factors that it would cost approximately \$50,000.
423	Rep. Rosenbaum	Asks if the definition of the word printing was changed would it still cost as much.
425	Lancaster	Offers explanation.
442	Nessly	States that issue of HB 2846 could be addressed with amendments.

TAPE 59, B

003	Rep. Schaufler	Comments on how much money it cost for the Employment Department to develop the model.
027	Taylor	Clarifies nature of production of various kinds of license plates.
041	Rep. Schaufler	Comments on the money that was spent and says it is totally unacceptable.
062	Rep. Kitts	Concurs with Rep. Schaufler on problem of money spent and states that essence of issue is Oregon jobs and urges passage of HB 2846.
80	Rep. Merkley	States the possibility of amending the bill to consider other options to reduce the expense.
087	Chair Close	Closes public hearing on HB 2846. Opens a work session on HB 2846.

HB 2846 – WORK SESSION

088	Rep. Kitts	MOTION: Moves HB 2846 to the floor with a DO PASS recommendation.
		VOTE: 6-0
		EXCUSED: 1 - Rep. Garrard
	Chair Close	Hearing no objection, declares the motion CARRIED.
		REP. TOOTIE SMITH will lead discussion on the floor.
090	Lancaster	Explains that setting up this new kind of program does create fiscal impact.
167	Chair Close	Closes work session on HB 2846. Opens a public hearing on HB

2230.

HB 2230 – PUBLIC HEARING

171	Megan Palau	Committee Administrator. Summarizes HB 2230.
185	Paul Romaine	MCI WorldCom. Testifies in support of the -3 amendments on HB 2230 and explains telephone slamming.
260	Brant Wolf	Oregon Telecommunications Association. Testifies in support of HB 2230.
261	Chair Close	Asks how many people worked on the bill and amendments.
262	Wolf	States that Public Utilities Commission (PUC) is fine with the statute as it currently exists.
281	Rep. Rosenbaum	Asks about addressing the remedies of government in addressing issues.
283	Wolf	States that authority is not being taken away from PUC and further explains it gives them authority to handled individual complaints.
341	Chair Close	Asks for explanation of how other states manage these issues.
341	Wolf	Explains how issues are handled.
352	Gallegos	Asks about difference between HB 2230 and HB 2198.
356	Wolf	Explains ability for PUC to impose a fine rather than going to court.

TAPE 60, B

010	Lee Beyer	Commissioner, Public Utility Commission of Oregon. Submits and summarizes prepared testimony in support of HB 2230 (EXHIBIT J) .
045	Rep. Close	Notes there is nothing standing in the way of a fine being issued.
046	Rep. Beyer	Answers that Legislature has the authority to take action.
048	Chair Close	Asks how many complaints and what is the action.
050	Clark Jackson	Manager, Consumer Services, PUC. Offers figures and actions.
051	Rep. Rosenbaum	Asks if the bill passed with amendments what would be done if there was a pattern set of unauthorized changes in carriers.
059	Clark	Describes an internal investigation and protocol.
083	Rep. Rosenbaum	Asks if this language is contained in Oregon statute.
084	Roy Hemmingway	Chair, PUC. States that PUC has not had time to consider whether they are compensated for by authority to investigate.
101	Rep. Rosenbaum	Asks who should be contacted if telephone carrier changes the services improperly.
103	Hemmingway	States he does not know if it takes away the ability as individuals to take action.
110	Chair Close	Notes that it is not preferable for a number of companies to proceed in such a manner.
120	Hemmingway	States that Department of Justice acts independently when there is a pattern of abuse.

HB 2230 – WORK SESSION

125	Cheryl Pelligrini	Oregon Department of Justice (DOJ). Testifies the she has not seen the -3 amendments or consulted by the working group but states this amendment would take away remedies of the consumer.
162	Chair Close	Notes that too many agencies should be duplicating work and authority. Closes work session on HB 2230 and states it will be heard again at a later date. Recesses meeting.
208	Chair Close	Reconvenes meeting at 10:36 a.m. Opens work session for the purpose of introducing committee measures.

MEASURE INTRODUCTION - WORK SESSION

209	Rep. Kitts	MOTION: Moves LC 3500 BE INTRODUCED as a committee bill.
		VOTE: 5-0
	Chair Close	EXCUSED: 2 - Rep. Rosenbaum, Rep. Garrard
211	Rep. Gallegos	Hearing no objection, declares the motion CARRIED.
		MOTION: Moves to SUSPEND the rules for the purpose of Reconsidering a Vote on HB 2333.
212	Rep. Gallegos	MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. MERKLEY to BE RECORDED as voting AYE.
	Chair Close	Hearing no objection, declares the motion CARRIED.
220	Chair Close	Closes work session on measure introductions. Adjourns committee meeting at 10:30 a.m.

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EXHIBIT SUMMARY

- A – HB 2333, John Brenneman, 2 p**
- B – HB 2333, John Brenneman, 3 pp**
- C – HB 2333, Commissioner Beyer, 2 pp**
- D – HB 2333, -1 Amendment, Commissioner Beyer, 2 pp**
- E – HB 2846, Grover Simmons, 2 pp**
- F – HB 2846, definition, Grover Simmons, 1 p**
- G – HB 2846, written testimony, Rep. Tootie Smith, 1 p**
- H – HB 2846, written testimony, Dianne Lancaster, 5 pp**
- I – HB 2846, written testimony, Dianne Lancaster, 70 pp**
- J – HB 2230, written testimony, Commission Beyer, 2 pp**